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Foreign Commerce WEEKLY

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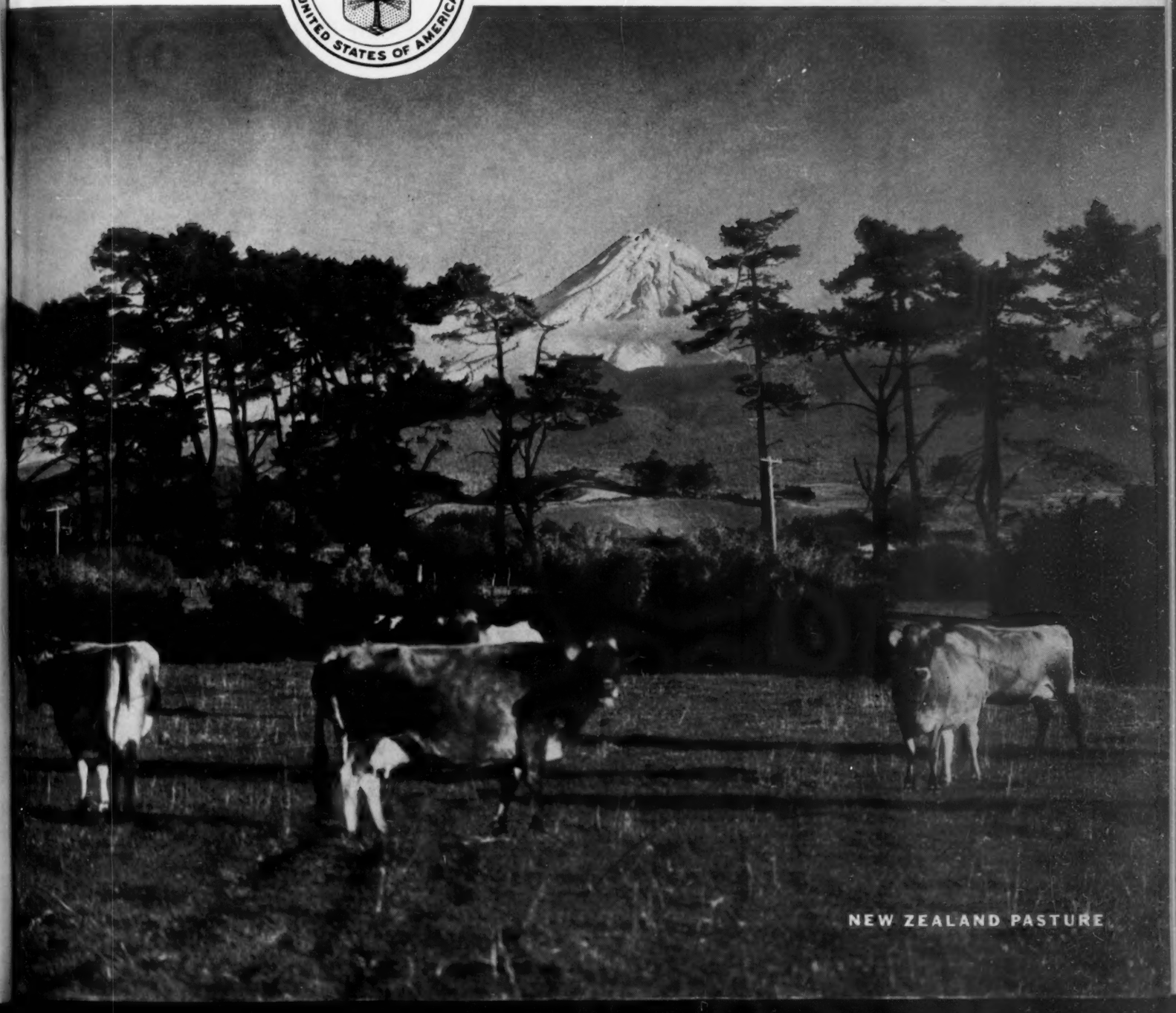

NEW ZEALAND PASTURE

Foreign Commerce Weekly

Foreign Commerce Weekly is the official medium of the Department of Commerce for the dissemination of commercial and economic information gathered throughout the world by the Foreign Service of the United States, and obtained from other sources.

Issued by the UNITED STATES DEPARTMENT OF COMMERCE, JESSE H. JONES, *Secretary*

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Reverse Lend-Lease

Mutual Aid Is Constantly "Working Both Ways," in Innumerable Fields, Involving Commodity Currents Significant and Diverse. Will Future Commercial Dealings Reflect the Effects of Wartime Helpfulness?

By SARAH C. SAUNDERS, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

CRUDE RUBBER and tea from Ceylon; cocoa, palm kernels and palm oil, rope, fibers, chrome, and asbestos from British Africa; copra from the British islands in the Pacific; mica, burlap, jute, and other strategic materials from India; butter, cheese, sugar, milk, eggs, 2,000,000 pairs of wool socks, and fresh fruits and vegetables for our soldiers stationed in England, Australia, New Zealand, and French Africa—these are a few of the supplies which have been "Reverse-Lend-Leased" to the United States by its Allies.

As for services which the other Allied Nations have rendered to the United States, they extend all the way from playing cards and chess sets which have been furnished to our boys overseas to the waterproofing job that British industry did on our wading tanks, trucks, and other mechanized equipment so that it might reach the French invasion beaches in fighting condition after plowing through the surf of the English Channel.

More Than Three Billions

In the Report to Congress on Lend-Lease Operations recently released, it was shown that from the beginning of the Lend-Lease program through June 30, 1944, we had received supplies and services from our Allies valued at more than $3,000,000,000. Most of this aid has been provided by the British Commonwealth to United States forces overseas, the total received for the first quarter of 1944 alone running well over $500,000,000.

From June 1, 1942, to April 1, 1944, aid received by the United States from the United Kingdom, Australia, and New Zealand amounted to more than $2,500,000,000. In addition, by January 1, 1944, Reverse Lend-Lease aid to our forces in India already had totaled more than $100,000,000. According to the official report, these figures include only Reverse Lend-Lease aid furnished to our forces and to our shipping overseas. They do not include strategic raw materials, commodities (except benzol), and foodstuffs furnished by the British for shipment to the United States.

Steadily Mounting

The volume of supplies and services provided under Reverse Lend-Lease to our forces overseas is rising steadily. In the United Kingdom, for example, the amount, which for the third quarter of 1943 was $120,000,000 (exclusive of construction and supplies and services provided outside the United Kingdom), rose in the fourth quarter of 1943 to $224,000,000, and by the first quarter of 1944 had reached $260,000,000. Expenditures reported by Australia and New Zealand for aid to our soldiers during the first quarter of 1944 exceeded the value of our Lend-Lease shipments to these two countries during the same period.

Portable stoves (for boiling water or heating Army mess halls)—seen here in U. S. marshalling yards in Britain—form merely one of the thousands of items given by the British for U. S. Army needs under Reverse Lend-Lease, or, as it is often called abroad, Mutual Aid.

Hospital trains like this—with all of the varied articles essential to their operation—have been handed over by our Allies to United States forces under Reverse Lend-Lease.

Our troops in the Pacific had received nearly 885,000,000 pounds of Australian food by April 1, 1944, including more than 150,000,000 pounds of beef, veal, lamb, mutton, pork, and canned meats; 19,500,000 quarts of fresh milk; 38,800,000 dozen fresh eggs; nearly 223,000,000 pounds of bread and cereals; more than 189,000,000 pounds of fruits and vegetables (both fresh and canned); and more than 15,000,000 pounds of fresh butter. Between $150,000,000 and $200,000,000 worth of food will be furnished to our soldiers by the Australian Government in 1944, including an estimated 250,000,000 pounds of meat. New Zealand, by April 1, 1944, had furnished our troops nearly 457,000,000 pounds of food, valued at almost $40,000,000, the largest item of which was more than 63,000,000 pounds of beef and veal.

Striking Facts Emerge

The above figures add up to the fact that over 90 percent of all the food consumed by United States troops in the South and Southwest Pacific for more than a year has been provided by Australia and New Zealand under Reverse Lend-Lease. As a result demands upon our domestic food supply have been greatly decreased and much vitally needed shipping space has been freed for transporting weapons, munitions, and other war matériel to the Pacific war zones.

This year, too, Australia will furnish our soldiers 1,000,000 pairs of Army boots; uniform jackets, shirts, and trousers by the hundreds of thousands; and 1,000,000 blankets. New Zealand has already spent $6,500,000 in building landing craft and other small vessels for the use of our troops in the Pacific.

The Soviet Union until a short time ago was fighting on its own soil and needed all the supplies that could be produced locally; nevertheless it has been furnishing repairs and services for United States merchant ships in Soviet ports. Recently, under Reverse Lend-Lease, the Soviet Union has provided our Air Forces with equipment, supplies, and services necessary for the establishment and maintenance of the shuttle-bombing bases placed in Russia. This aid includes construction materials, labor, equipment, and other operational supplies and services, as well as food for our men who operate and use the bases.

China Helps Greatly

China, although impoverished after long years of war, has furnished to our armed forces aid that can never be measured quantitatively nor valued in dollars and cents. It would be impossible to estimate the number of our planes which have been saved by the efficient Chinese grapevine air-raid warning system, which, despite a complete dearth of modern communication equipment, is yet one of the fastest in the world. The American press has lately highlighted the story of how 400,000 Chinese laborers hauled by hand the 160,000 tons of rock and sand necessary to build the runways needed for our B–29 planes, crushed the rock by hand, laid it stone by stone, and then smoothed the surface with hand-hauled stone rollers. So rapidly was all this done that, within 3 months after the project was started, the first of the huge bombers was able to land on the field. All the bases used by our Fourteenth Air Force in China were built in the same way.

French officials in Africa, under Reverse Lend-Lease, have furnished aid to our forces stationed in the Mediterranean theater which to the first of this year was valued at $30,000,000 and included thousands of tons of grains, fresh fruits and vegetables, and other foodstuffs.

Britain's Role Looms Large

With millions of our troops stationed in Great Britain during the past 2 years, the British have naturally had most chance to participate in Reverse Lend-Lease. All heat, water, and lights for our bases and barracks; fresh vegetables and other British-produced foodstuffs that comprised 20 percent of our soldiers' rations; 1,100 British-made fighter planes; more than 100 airfields and other construction, which to April 1, 1944, had cost the British $624,650,000; tens of thousands of easily-jettisoned lightweight fuel tanks for our fighters to carry on long-range flights; more than 25,000 miles of steel landing mats; thousands of parachutes; and quantities of howitzers, antiaircraft, and antitank equipment—these are all on the British side of the ledger.

(Continued on p. 37)

Signal Corps photo

Moving up to help smash the Westwall, an American tank shows how to wade a stream when all the bridges have been blasted by the retreating Nazis. To facilitate such wading, British industry—under Reverse Lend-Lease—carried out before D-day a waterproofing job on much U. S. armor.

New Zealand's Position as a Dairy-Products Exporter

Today This Industry Plays a Part in Reverse Lend-Lease, And, Regularly, It Supports the Dominion's Basic Economy

By THOMAS S. HUTCHINS, *Foodstuffs Unit, Bureau of Foreign and Domestic Commerce*

SINCE THE ESTABLISHMENT of the first butter factory in New Zealand in 1897, the dairy industry in that country (with a population of only 1,641,000) has so greatly increased that the Dominion was the world's largest exporter of dairy products in the period immediately preceding the war.

The Dominion of New Zealand consists, one need hardly say, of two large islands, the North and the South Island, and several smaller islands, in the Pacific Ocean, about 1,200 miles east of Australia, and its total area, 103,935 square miles, is somewhat smaller than the State of Nevada.

With fertile soil, a cool-temperate, moist climate, and no marked variations in temperature and rainfall, about two-thirds of the country is suitable for farming. The climate in most of the country reminds one of Washington, Oregon, or northern California.

Story of Dairy Development

Prior to 1900, dairy farming in New Zealand was carried on by rather simple, old-fashioned methods, but the beginning of the twentieth century coincided with the advent of the modern dairy industry. Refrigerated cars were just coming into use; steam was still the most popular motive power, as the internal-combustion engine had not yet been perfected; electricity was new and not used on farms; the new cream separator was only of handpower size, and milking machines had little resemblance to those now in use.

When ship refrigeration became practical at the end of the nineteenth century, the New Zealand farmer foresaw great possibilities in foreign markets for butter and cheese as well as mutton. Wool had previously been New Zealand's chief export commodity, and the carcass of the sheep had been practically worthless. Within a few years New Zealand butter, cheese, and mutton began to appear on English tables.

From 1900 to 1914 the dairying industry expanded by leaps and bounds, with markets stable and prices rising. Dairy experts were brought in from Denmark and Canada to speed up production by the introduction of the most modern and scientific methods and machinery. Thus the dairying industry changed New Zealand agriculture almost completely. The sheep raiser had been a kind of "country squire," owning huge tracts of land—while the dairy farmers in the early days were called "cow cockies." These men started farming for themselves with a few acres of land, rented or mortgaged, and a small dairy herd.

Butter production and exports did not rise as rapidly as those of cheese, which by 1913 represented 20 percent of British cheese imports. In 1920 the United Kingdom's total imports in this category were only 38 percent of the pre-war figure because adverse feed conditions had curtailed production in many of the European countries of origin. To increase its imports of dairy products, Britain increased the prices in 1921 to stimulate production in New Zealand. Although dairy prices soared during World War I this British policy had increased butter prices to two and one-half times the 1914 level while doubling cheese prices. Thus in 1921 New Zealand's export value of butter and cheese exceeded that of wool, putting dairy products in the lead in the Dominion's exports for the first time.

High prices for dairy produce during the 1914–18 and post-war periods, together with Government soldier settlements, started a boom in land values, while the manpower shortage had given a great impetus to the installation of milking machines and other modern dairy equipment.

The boom of 1921 was followed by a slump, and severe measures were taken to balance the national budget. The return to "free marketing" after Government control during the war and post-war years was interpreted by many farmers as the cause producing the depression. This led to a demand for unification of marketing and resulted in 1923 in the establishment of the New Zealand Dairy Export Control Board.

Under the stress of falling prices the dairy industry of New Zealand made great strides in efficiency of production and processing. The period 1920–30 resulted in great expansion and progress. The number of cows milked increased 60 percent, and the average production per

Courtesy New Zealand Legation

Cattle on a New Zealand beach.

Courtesy New Zealand Legation

Typical New Zealand dairy "co-op".

cow went up 30 percent. Group herd-testing was inaugurated and expanded rapidly, while the output of butterfat per unit of labor increased approximately 40 percent. Motor transport advanced at a phenomenal rate, outstripping road facilities for many years; rural electrification was intensified; and the use of artificial fertilizers in top-dressing pastures increased with more scientific rotation and management of pastures.

A major factor contributing to the success of the New Zealand dairy industry has been the willingness of the farmer to cooperate with the Government by putting into practice improved methods, while research and education were fostered by the establishment of the Dairy Research Institute and Massey College.

Pastures World-Renowned

New Zealand's economy rests largely upon its grasslands, of which the Dominion has 30,000,000 acres; 17,000,000 acres is cultivated pasturage, and the remainder is in native tussock. This may be illustrated by the fact that, in normal years, the exports of pastoral products (dairy produce, wool, and meat) amount to approximately $200,000,000, representing 93 percent of the value of New Zealand's total exports. Thus the total per capita export value of about $180 is the highest of any country in the world.

The cultivated pastures are kept green the entire year by the application of artificial fertilizers and the rotation of grazing fields. Cattle remain in the open all winter, although in the colder months fodder crops supplement the feed.

Dairy Farms Rather Small

The dairy farms of New Zealand are relatively small in size, averaging about 100 acres and keeping about 50 cows. These are usually situated in river valleys and the flat and easy rolling country where rainfall is well distributed throughout the year.

The majority of the dairy farms are located on the North Island, which is somewhat warmer and less mountainous than the South Island. Of the 1,779,603 cows in milk in New Zealand during 1940–41 1,552,732 or 87.4 percent were on the North Island and 226,871 or 12.6 percent on the South Island. On the North Island the dairy cows are chiefly concentrated in the Auckland and Taranaki Provinces and in the Manawatu district, while the dairy farms on the South Island are found mainly in Otago and Southland.

For more than 20 years there has been a noticeable shift northward in the dairy-cattle population. Although cow numbers have shown marked increases in all districts, the proportionate increase has been much greater in the Auckland Province, and it is expected that this trend will continue.

The New Zealand dairy farmer has adapted mass-production methods to agriculture to an extent as great as that of farmers in any other country. Practically all the dairies have milking machines; in fact, in the year ended January 31, 1942, 87.25 percent of the cows in New Zealand were milked by machine.

In addition to practically ideal pastures and feed conditions, and close Government supervision requiring high quality of product, another factor which influences greater production is that the country is small and the dairy industry is relatively concentrated in area.

Principal Dairy Breeds

For many years the Shorthorn was the most important breed of dairy cattle in New Zealand. After the adoption of intensive dairying methods the Jersey outdistanced it, and by 1938 it is estimated that 75 percent of all milk cows were grade Jerseys, as shown in the following table:

Dairy Cows

Breed	1921	1924	1928	1938	Herd sires, 1940–41
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
Jersey	29.6	44.3	63.6	75.0	78.0
Shorthorn	56.0	39.6	22.0	8.0	5.6
Friesian	11.4	13.1	11.8	11.0	7.9
Ayrshire	3.0	3.0	2.6	6.0	7.8

Source: New Zealand Journal of Science and Technology, June 1942.

The main factor contributing to the popularity of the Jersey breed, in addition to its being the most economical in maintenance in proportion to its low

Courtesy New Zealand Legation

Refrigerating plant in a New Zealand dairy.

Courtesy New Zealand Legation

New Zealand butter being loaded for shipment, under Reverse Lend-Lease (see feature article on pp. 3 and 4).

TABLE I.—*Production Figures*

Item	1939–40	1940–41	1941–42	1942–43
Number of cows in milk	1,740,000	1,780,000	1,777,000	1,736,000
Butterfat production per cow ..... pounds	239	252	238	225
Total butterfat production ..... tons	185,400	200,400	188,700	174,700
Total production of butter ..... do	160,000	167,800	135,400	144,000
Export of butter ..... do	130,400	136,200	102,000	99,061
Total production of cheese ..... do	97,600	122,400	157,400	101,700
Export of cheese ..... do	91,700	117,800	150,100	106,310

NOTE.—1 ton equals 2,240 pounds in New Zealand.

Source: Primary Production in New Zealand. Compiled by Department of Agriculture, Wellington, New Zealand, 1944.

TABLE II.—*New Zealand Butter, Cheese, and Condensed-Milk Factories*

Item	1938-39	1939-40	1940-41
Number of:			
Factories	429	424	416
Persons engaged	3,944	3,859	4,089
Salaries and wages paid	£NZ1,065,329	£NZ1,074,138	£NZ 1,204,062
Number of separators:			
At home	56,749	54,811	52,550
At factories	459	433	417
Butterfat separated:			
At home ..... pounds	248,884,192	270,392,038	283,298,882
At factories ..... do	18,545,514	14,832,008	14,039,343
Milk received by cheese factories [1] ..... do	2,116,099,651	2,326,364,591	2,807,509,588
Butterfat (in milk) received [2] ..... do	77,470,174	88,887,851	111,263,933
Value of materials used	£NZ24,910,171	£NZ27,332,138	£NZ30,064,100
Other expenses	£NZ1,288,168	£NZ1,339,667	£NZ1,430,182
Butter produced (including whey butter):			
Quantity ..... hundredweight [3]	2,957,222	3,155,106	3,303,263
Value	£NZ20,173,631	£NZ21,507,742	£NZ22,475,022
Cheese produced:			
Quantity ..... hundredweight	1,705,277	1,952,748	2,447,411
Value	£NZ6,334,749	£NZ7,273,533	£NZ9,104,424
Total value of output	£NZ27,334,584	£NZ29,840,837	£NZ32,771,097

[1] Including milk used (308,517,682 pounds in 1940-41) in making dried whole milk and casein.
[2] Including butterfat (2,674,703 pounds in 1940-41) contained in milk used for making dried whole milk and condensed milk.
[3] Hundredweight equals 112 pounds.

Source: New Zealand Official Year-Book, 1943.

weight, is the high butterfat content of the milk. This is because New Zealand's greatest demand is for butterfat in the production of butter and cheese, and not for whole milk in the manufacture of concentrated milk products.

The breeding of dairy cattle has made great strides in New Zealand. Herdbook societies are established for the Jersey, Holstein-Friesian, Ayrshire, Shorthorn, and Red Poll types. All herd societies have cooperated in the scheme for establishing registers of merit in connection with the certificate-of-record testing of pure-breds, thus encouraging the breeding of more pure-bred dairy cattle.

Record of Production

Milk is utilized principally for the production of butter and cheese, and to a lesser extent for fluid milk and cream consumption, condensed and dried milks, and casein. During the years 1900 to 1939 production of butterfat increased tenfold.

The production of butterfat in New Zealand during the past few years is shown in table I, which also shows how much butter and cheese were produced and the amount exported.

Besides the factory production thus cited, about 2,500 tons of butter are produced and consumed annually on farms. Very little cheese is produced on farms.

New Zealand has 105 large butter factories (including, assertedly, the largest in the world), 245 cheese factories, 53 making both butter and cheese, and, in addition, numerous plants making other milk products. These factories are owned by the dairy farmers and run on a national cooperative basis, eliminating uneconomic local competition. High quality of product is given first consideration. For example, in the year ended April 30, 1944, the average score of butter graded for export was 93.391, and 92.064 for cheese—of which 84 percent of the butter and 21 percent of the cheese was of "finest grade." Complete statistics for the dairy factories in the years 1938–39 to 1940–41, inclusive, are given in table II.

From Butter to Cheese

At the beginning of the present war, the United Kingdom asked the New Zealand Government to instigate a partial change-over from butter to cheese production. This was mainly because of the better-keeping qualities of cheese, and, besides, it was thought that butter would be more readily obtained from the United States and Canada. This was quite an undertaking, not only because of plant reconversions, but because farms were geared for butter making and most of the milk production was separated on farms. A change back came 15 months later when the British asked for more butter, because adequate supplies were not forthcoming from the United States and Canada as expected. Additional complications came with large requirements of condensed and

(Continued on p. 41)

China's Hand-Made Paper—

An Ancient Picture in a Modern Frame

By MARY E. POOLE, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

THE MARKETING of foreign-made paper in China presents a problem with a variety of intriguing angles. Although domestic machine-made paper offers little real competition to imported paper (inasmuch as scientific development in China is still far from being comparable with that in the United States and Europe), the products of a vast and scattered hand-made paper industry are so eminently suited to the needs of the people that demand for Western-styled paper is comparatively small. Total imports of paper amounted to only 173,922 tons in 1937, or less than 1 pound per capita.

It is virtually impossible to determine the total production or consumption of hand-made paper in China. The lack of transportation and communication facilities preclude any all-inclusive census. It is known that at least 30,000 individually operated mills use neither machinery nor modernized methods, while thousands of farmers make paper for their own use during the off seasons of agriculture.

In the larger cities, Occidental customs have been adopted to a certain extent. In Shanghai and the surrounding region, 26 modern machine-equipped paper mills were operating before the war, and there was a definite trend toward the use of movable steel type and Western styles of writing and printing. The metropolitan areas, however, cannot be used as a yardstick of Chinese industrial progress.

In the rural areas, where the majority of China's estimated 450,000,000 people live, old habits and customs persist. The average purchasing power is sufficient for only the barest of necessities, but paper is considered one of these.

Paper Substitutes

Everyone is familiar with the paper umbrellas, lanterns, and fans of China. United States imports of these and other paper manufactures in 1937 were valued at $7,714. Articles bearing prominent trade-marks of the Far East are made of paper, not because of any inherent tradition, but because of the absence of more suitable low-priced materials.

Courtesy United China Relief

Primitive paper production in China today: Mules and oxen pull heavy stone wheels in a narrow moat to grind paper pulp in a Chinese paper-making cooperative, while in the foreground a man is softening the pulp with his bare feet.

The same holds true for the use of paper as shoe soles, as linings for coats, and for an infinite variety of dolls and other toys (the kite was a Chinese invention). Paper is used almost exclusively in the binding of Chinese books, and in the humid southern regions an additional flyleaf of red paper impregnated with arsenic is used to prevent books from being destroyed by worms.

Sheets of hand-made paper, treated with tung oil to make them translucent and rain-proof, are pasted over intricately designed lattices to form the windows of China's temples and homes. In a few cities glass has been used, in recent years, in the lower half of the window, but, with the advent of mass bombing attacks, replacements for shattered panes became almost impossible to obtain and once again paper is being used.

Chinese trunks and hand luggage have linings of paper, also treated with tung oil, and most packages sent through the mails or otherwise transported from one place to another have inner wrappings of oiled paper.

Many of our paper products most indispensable today had their origin in China. Paper napkins and all varieties of sanitary papers were used in China before the ninth century. Historians are vague about the exact place and time of origin of paper currency, and, although the earliest American-owned specimens of Chinese bank notes date only as far back as 1368 A. D., written records show that paper bank notes, called "flying money," were in circulation during the Tang Dynasty (seventh or eighth century A. D.). Wallpaper, a fairly recent contribution, was introduced directly from China to Europe by Spanish and Dutch traders during the sixteenth century. In 1937, China's last reasonably normal year, the United States imported from there a total of 3,796 pounds of wallpaper valued at $7,685.

Paper's Role Is Unique

Many strange and fascinating customs require the use of large quantities of paper in China. For example, on the Chinese New Year's day, the doorway of every temple, business house, and residence is plastered with strips of red paper inscribed with antithetical couplets—tokens of good luck quoted from proverbs or great literature. These remain until the next year, when the process is repeated. Blue strips are pasted on each side and over the top of the entrance-way to a house in which there has been a recent death.

Thousands of reams of paper are burned each year at funeral rites in the form of full life-sized effigies represent-

ing animals, furniture, automobiles, richly ornamented wearing apparel, and other manifestations of comfort and wealth. Although it is no longer commonly believed that these fragile imitations assume reality in Heaven, this age-old custom is still observed throughout China today. Even greater quantities of paper are burned as mock money at funerals and religious ceremonies.

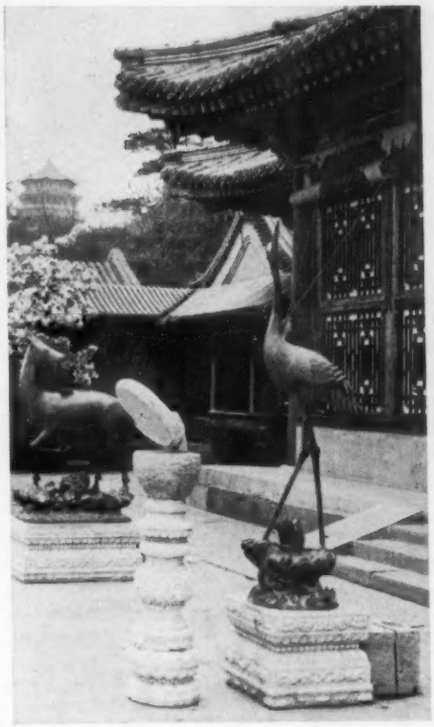
Paper gods, block-printed images of various Chinese deities, are as indispensable to household religion as the great sculptured figure to temple worship. Most of these are only crudely stenciled black prints on brown paper and can be purchased for a fraction of a cent each. Others may range in size up to about 24 by 32 inches and are sometimes beautifully hand painted in delicate tones. More than 2,000 varieties of paper gods were collected at the Hangchow Christian College of Comparative Religion, a testimony to their universality in the contemporary religious lives of the Chinese people.

Low Price Dominates Markets

Since the great majority of Chinese are of poor financial means, this extensive market for paper is obviously one in which low price rather than quality is the dominant factor. Taking into consideration the wage differential and the costs involved in getting goods to isolated communities, foreign-made paper cannot be expected to compete with the native product.

Language a Motivating Factor

Language is partly responsible for the continued use of hand-made printing and writing paper. The characters of the Chinese language are so numerous and complicated that no typewriter has yet been made which can meet the demands of the small businessman at a reasonable price. The only model typewriter developed thus far has 3,000 characters, is expensive, and is difficult to operate. It is used only in Government offices and leading metropolitan banks. Therefore, everything that is not printed or multigraphed must be written in longhand, entailing the use of a small brush and a special ink (a suspension of carbon in water). Under no circumstances are Chinese brush-written characters blotted, for the form can be easily distorted and the meaning thus changed.



Chinese courtyard. Note the paper windows in building at right.

Chinese funeral procession. Quantities of hand-made paper, in various picturesque forms, are utilized in such processions.

Native papers are soft and readily absorb the ink, making blotting unnecessary, and for this reason are more suitable than modern calendered papers.

Character of Raw Materials

The fact that China's paper industry as a whole has failed to modernize its methods cannot be attributed entirely to backwardness or tradition. Those raw materials found in greatest abundance (bamboo, rice straw, and mulberry bark) are too long-fibered, tough-textured, and irregular to lend themselves to processing by mechanical means, and it is of vital importance in a country such as China that native resources be utilized to the greatest possible extent. Therefore, the Chinese paper maker today employs the traditional hand method when working with these materials. The process is long and tedious and varies little from that used by his forebears 2,000 years ago.

Pulping

The raw material, whether it be bamboo, rice straw, or bark, is first soaked in lime-treated water (the length of time varying from several hours for bark to 2 months for straw), after which it is thoroughly washed. Boiling is next, and this requires anywhere from several hours for bark to 1 week for bamboo. By this time the inner fibers are soft enough to be separated by pounding in a mortar or stone trough. Further washing then takes place, and after the addition of suitable adhesive the pulp is ready to be made into paper. Optional steps include bleaching and additional washings for high-grade pulp.

Paper-Making Procedure

Any number of procedures may be followed in converting pulp into sheets of paper, but basically they are all the same. Oblong bamboo frames, over which are placed fine screens of bamboo splints, are either dipped into a vat containing a soupy mixture of pulp and water or are affixed over a container, with the pulp suspension being ladled into them. In any case, the water drains through the screen, leaving behind a mat of fibers. When the sheet is dry enough to be removed from the frame without tearing, it is placed aside on a wooden board with other sheets. It has been estimated that one man can make 1,200 such sheets per day.

When a pile of sheets reaches a height of 2 or 3 inches, a stone is placed on top to press out more water. Each sheet is then spread out in the sun or in the hollow of a wall in which there is a fire, until completely dry.

"Reason Why"

The above-cited combination of economic, technical, and literary factors explains, then, the seeming impregnability of a hand industry which under most circumstances would have been forced down the way of all other ancient endeavors, yielding inevitably to the technical proficiency of a mechanized age.

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Airport at La Guaira, Venezuela. Courtesy Pan American Airways

Aviation in Venezuela—

[*Air Traffic Is Destined To Play an Increasingly Potent Role in Business of That Far-Flung Land*]

By MARY B. MACKRILL, *Industrial Projects Unit, Bureau of Foreign and Domestic Commerce*

WHY DOES VENEZUELA feel a great and pressing need for far-reaching air-line services? The answer lies very largely in immutable physiographic facts. Through the centuries, oceangoing vessels, coastal ships, and river craft have carried traffic along Venezuela's 2,000 miles of coast line and 12,000 miles of navigable waterways. The Republic is divided into two separate parts by one of the great rivers of the world—the Orinoco—which, with the largest lake in South America, Lake Maracaibo, and more than 50 navigable rivers and 20 channels, affords transportation facilities. A thousand rivers thread through mountains strewn across the land, some ranges black and jagged with deep canyons, others reaching skyward 16,000 feet, perpetually snow-clad. There are 200 lakes, a lake of asphalt which covers 1,000 acres, and vast areas of jungles and tropical rain forests inundated during the winter season. The southern frontier is a continuous series of mountain chains, the highest peak being Mount Roraima, 9,000 feet in elevation, situated near the frontier where Brazil, British Guiana, and Venezuela meet. In the northwest, the Andes Mountains, extending from Colombia, branch in two chains, one going north to the Guajira Peninsula, and the other, the Sierra de Merida, northeastward. A spur to the north merges into the coastal range. Thus, tremendous transportation difficulties, inherent in the very nature of the land, invite—and set the stage for—comprehensive air-line enterprises.

Sixth in size among the South American nations, Venezuela has an area of 352,000 square miles (slightly more than twice the size of the State of California) and a population of nearly 4,000,000. The Republic is served by 700 miles of railways, said to average 7 bridges to every 6 miles of tracks, and 6,000 miles of highways. Ox teams and mule trains are called into service for overland cargoes in rainy seasons in some areas.

The nation has its eyes to the skies in this age of flight. Materials and supplies are being flown in to isolated and sparsely settled areas, while returning planes carry valuable supplies of strategic products to meet war needs. A total of some 3,100 unduplicated route miles of air lines over which slightly more than 31,000 miles are scheduled to be flown each week, are an appreciated supplement to the nation's inadequate surface transportation facilities.

Venezuela is the world's second largest petroleum exporter. Other products from this land of topographical differences are coffee, cocoa, sugarcane, rubber, balata, divi divi, magnesite, gold, diamonds, pearls, coal, iron, hides, skins, orchids, forest and medicinal products.

General Isais Medina Angarita, President of Venezuela, has encouraged aviation because he recognizes the tremendous possibilities in promoting international trade. With limited railway services and with road transportation restricted by the shortages of truck and tire replacements, the problem of internal transportation has become increasingly acute. Civic improvements are going forward in the 20 States, 2 Territories, and 1 Federal District into which Venezuela is divided. Studies are being conducted by the Government with a view to the construction of between 12 and 20 additional airfields.

Fast Sky Schedules

The Republic's international air service is provided by the operations of Pan American Airways, Inc. (PAA), and Koninklijke Luchtvaart Maatschappij (KLM). Rapidly expanding domestic traffic is handled by PAA, Línea Aeropostal Venezolana (LAV), and Aerovías Venezolanas, S. A. (Avensa). The formation of a new air line, Línea Aérea Taca de Venezuela, was announced in the Venezuelan press in August, but routes and service schedules are yet to be outlined. No air line connects with the 71 islands which belong to Venezuela, except with the Island of Margarita.

Access to Venezuela from Brazil is projected by Línea Aeropostal Venezolana and the Brazilian air line, Serviços Aéreos Cruzeiro do Sul, Limitada. A

joint service between Santa Elena (Venezuela) and Boa Vista (Brazil) has been suggested.

Lack of Surface Links

No roads or railways connect Caracas with Rio de Janeiro, capital of Brazil, except the roundabout route of the Pan American Highway, a trip of 8,200 miles through the western republics of South America. In some sections not yet completed, along this route, mule and ox teams are required. In contrast is a trip on a steamer along the Caribbean, down the Atlantic Ocean, or from Caracas to Ciudad Bolivar on the Orinoco, transshipment to smaller craft through the Casiquiare Canal, that strange artery which joins the Orinoco with the Negro River flowing into the Amazon, then along its course to Belem, and south along the Atlantic. This is a perilous, seldom-used avenue of travel, as two transshipments are necessary and there are few supply towns along the way.

As there are no highways or railroads to connect with Georgetown, capital of British Guiana, this too is a steamer trip.

Bogota, capital of Colombia, is reached from Caracas over a branch of the Pan American Highway called the Great Andean or Simón Bolívar Highway. This western highway extends through some of the commercial regions southwest of the capital, terminating at San Antonio del Tachira on the frontier. The highway passes over the bridge "Puente Internacional Simón Bolívar" to Cucuta; rich coffee district, and continues to Bogota, a total distance of 1,100 miles.

Practically all international traffic moving into the capital, therefore, comes by steamer through its port, La Guaira, and steamer facilities are limited. Air wings seem to constitute a major answer, and these are provided by the domestic and international facilities which link the 20 capitals of South America and join global air routes.

Airport, Seaport, Railport

Caracas, the South American city which gave Simón Bolívar to the world, faces the Caribbean Sea at an elevation of 3,018 feet on the Silla Range and is one of the principal commercial centers of the nation. A trip by steamer from New York City, some 1,800 miles distant, requires 6 days in contrast to 19½ hours flying time.

La Guaira, port city of Caracas, is 6 miles away from it, as the crow flies, and is reached by a 23-mile railroad requiring 1½ hours or by automobile in 1 hour. La Maiquetia is one of the central airports where traffic enters and leaves by all lines serving Venezuela.

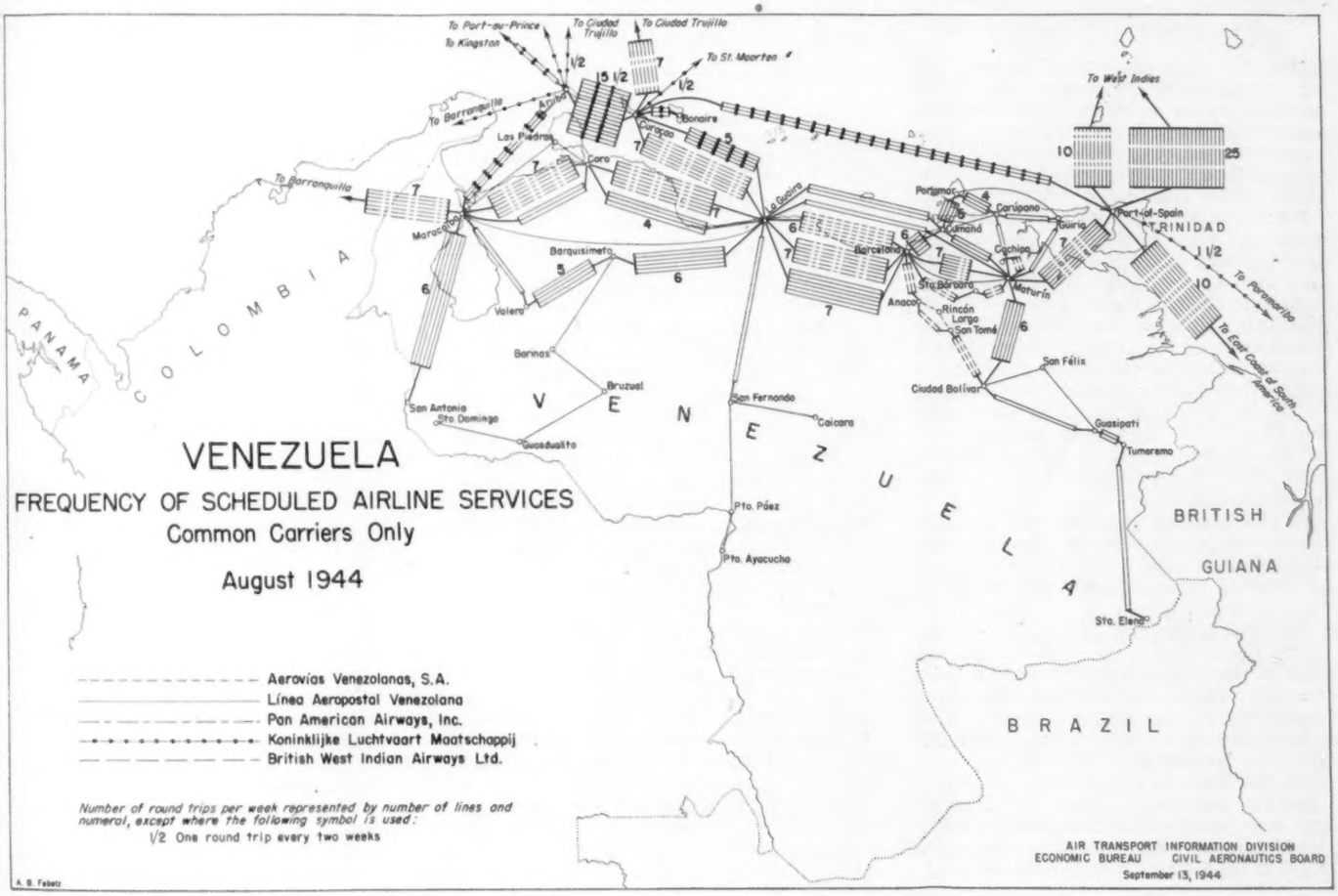
Traffic Leads to Capital

There are some excellent highways in Venezuela and all lead to the capital, but there is lacking an extensive and well-integrated system, since there are vast reaches where no highways of any kind exist or, if they do, are to be traversed only in the dry season. In a certain diamond-mining section the only possible means of communication and carrying of freight is by air.

Railways do not traverse the country, in the south, northeast, and northwestern areas. Twelve main lines serve the important coastal cities, going for short distances toward the highlands, as such a high percentage of the population lives near the sea and on the plateau. Consideration is being given to the construction of a railroad to link the cattle region with the capital and other shipping centers. The scenic La Guaira-Caracas Railway is one of the most publicized in the world. Only one international railway is in operation. This is the Ferrocarril del Tachira. Services by river steamers leave from Lake Maracaibo to Encontrados, on the Cattatumbo River, where the railroad continues to Cucuta, Colombia. A bridge at Puerto Villamozar on the River Grita carries considerable through traffic between the two countries.

Second Largest Port City

Maracaibo, capital of the State of Zulia, is Venezuela's second city in size and a leading commercial city of the western region. Twenty-two miles from the Caribbean, on Lake Maracaibo, the city is headquarters for the great petro-



leum industry and is the principal coffee port; and it supplies facilities for the international air traffic passing through it daily. Lake Maracaibo is connected with the Gulf of Venezuela, and is 9,000 square miles in area. From its quays, as well as those of La Guaria, are shipped cocoa, sugar, hides, skins, and other agricultural products. More than 200 rivers empty into the Lake, bringing cargoes from inland productive centers, and affording additional water transportation facilities. The most important rivers that traverse the lowlands are the Zulia, which empties into the Catatumbo, the Chama, the Motatan, and the Escalante, all of which are navigable for small craft.

Orinoco River, Traffic Artery

Ciudad Bolivar is port of call for ocean steamers plying up the Orinoco River from the Atlantic. River steamers operate from Ciudad Bolivar to San Fernando de Apure, 10 days up and 6 days down stream. The Orinoco River has its entire course within Venezuela, flowing northwestward, north, and then eastward, bisecting the country. With its 6,000 miles of navigable tributaries, this 1,500-mile waterway drains some four-fifths of the Republic. Approximately 435 affluents augment the Orinoco in its course to the ocean. United States Army fliers have been given credit recently for finding the source of the Orinoco in a mountain gorge somewhere in the Sierra Parima, which with the Pacaraima Mountains divide the nation from Brazil.

Pan American Airways

Pan American Airways, Inc., supplies direct round-trip air services on a daily schedule between Miami (Florida) and La Guaira, Venezuela, with stops at Camaguey (Cuba), Port-au-Prince (Haiti), Ciudad Trujillo (Dominican Republic), and Curacao (Netherlands West Indies).

PAA's east-west services along the northern coast of South America connect Venezuela with Colombia, the Panama Canal, the island of Trinidad and links with the Central, North, and South American air network. From Balboa, Canal Zone (Albrook Field), PAA's coastal route includes stops at Barranquilla, Colombia, principal air junction for the Republic, continues to Maracaibo Coro, La Guaira, Barcelona, and Maturin in Venezuela and on to Port of Spain, Trinidad. This operation is on a daily round-trip basis.

At all Pan American stops in Venezuela connections are made with the domestic air facilities of LAV and with Avensa at La Guaira, Barcelona, and Maturin.

Royal Dutch Air Lines

KLM (Koninklijke Luchtvaart Maatschappij) known as the Royal Dutch Air Lines, which began operations in the Caribbean area in 1936, links Venezuela with the Netherlands West Indies and other points to the north.

Regular schedules 5 times weekly each way are maintained between Curacao (Hato Airport) and La Guaira, a flight of 183 miles made in a little over an hour.

Courtesy Pan American Union

One reason why Venezuela needs ample air-line service.

Services three times each week in both directions are supplied between Aruba (Dakota Airport) and Maracaibo (Grano de Oro Airport), approximately 180 miles.

Línea Aeropostal Venezolana

The aerial trade routes of LAV, Government-owned and operated air line, connect all the principal cities of the Republic and extend to remote and isolated areas. The present mileage scheduled to be flown each week is 51.3 percent higher than in March 1943.

Línea Aeropostal Venezolana (LAV) was organized on December 30, 1933, when the Government of Venezuela nationalized the Compagnie Générale Aéropostale, a French company which had started operations in this Republic as early as 1929.

The following table gives a rather comprehensive picture of the activities of Línea Aeropostal Venezolana (LAV):

Item	1937	1938	1939	1940	1941	1942	1943
Total route miles	1,489	2,033	2,872	(1)	(1)	2,934	3,684
Miles flown	218,811	329,981	462,958	564,554	843,348	861,642	954,000
Passengers carried	4,885	8,363	10,420	12,112	16,113	20,371	(1)

[1] Not available.

Source: Report from Foreign Service officer, Caracas, Venezuela, May 1944.

In Eastern Venezuela

Leaving Maiquetia airport on round-trip scheduled flights seven times a week, airplanes of Línea Aeropostal Venezolana fly eastward to Barcelona, located on the Nevert River and 3 miles from the Caribbean Sea, to which Barcelona is connected by the railroad which serves the coal region. Six of these trips continue to Cumana, port town situated on both sides of the Manzanares River, and 2 miles from Port Sucre on the Caribbean Sea. There are also three round trips a week to Cumana from La Guaira.

Connections are made by air with Porlamar, chief commercial center on the Island of Margarita on a round trip 5 days a week. This island is not only a tourist attraction but is noted for pearl fishing. Other activities include the production of hand-made hammocks and straw hats, hides, goatskins, divi divi, and magnesite.

To the east, Carupano, in the State of Sucre, on the Caribbean Sea, is the next seaport served by airplanes of Línea Aeropostal Venezolana. Twice a week flights are made from Carupano to Guiria, on the Gulf of Paria, and return, and a weekly service is maintained from Porlamar to Guiria. Maturin, commercial center and inland capital of the Orinoco delta state, Monagas, is the focal point for air services in this area with a total of 10 round-trip flights a week from the northern port towns. Petroleum, cotton, coffee, cocoa, cattle, cereals, rice, and maize are grown in this area.

There are six weekly flights in both directions between Maturin and Ciudad Bolivar, trading and financial center, located on the Orinoco River and capital of the State of Bolivar. River commerce is focused upon this port which serves as a point of transfer of cargo between ocean and coastal vessels and shallow-draft river boats. Highway services which connect Ciudad Bolivar with Caracas are flooded in seasons of heavy rains and steamer connections are the only means of surface communications, which may require as long as 3 weeks. Known as Angostura in early days, Ciudad Bolivar is a famous out-

(Continued on p. 40)

What FRANCE Meant to Germany's War Effort

Compulsion and Extortion, Wholly Ruthless Use of Every French Productive Resource, Yielded Tremendous Economic Benefits to the Nazis—Now, Menacing Losses Flow From Military Routs

A Statement by the Foreign Economic Administration

LEO T. CROWLEY, Foreign Economic Administrator, made public recently the following report on the economic importance of France to the German war effort, prepared by the Foreign Economic Administration's economic-warfare analysts:

Of all the occupied countries, France has been the most important to Germany as a source of manpower, raw materials, and industrial products [despite widespread sabotage and slowdowns on the part of the French]. The Germans have almost literally milked France dry and, in the process, have done serious damage to France's industry and agriculture, and to her people.

Exploitation of Manpower

Germany has made great efforts to exploit French reserves of manpower. At the beginning of 1944, more than 2,000,000 Frenchmen were working in Germany. Some were simply prisoners of war with no other status; others were prisoners of war given the status of civilian workers, and the rest were conscripted labor. Most of the *skilled* foreign laborers in Germany were Frenchmen.

In France itself, new decrees were issued in 1944 applying to workers within that country. These decrees established a minimum 48-hour workweek and provided that only workers in specified factories operating for German account could escape deportation to Germany. The decrees also extended the age limits for workers of both sexes. Age limits for men were expanded from 18 to 50 years to 16 to 60; women's were changed from 21 to 31 years to 18 to 45.

Distortion and Damage

The most important raw materials that Germany has obtained from France are iron ore and bauxite. French iron ore has represented more than 30 percent of the total supplies available to the enemy in Europe; French bauxite more than 40 percent. Processed goods manufactured by the French industry also have been of considerable importance to Germany.

France had the largest aircraft industry outside Greater Germany, producing on German account more than 5 percent of the enemy's finished aircraft and more than 12 percent of the airplane engines. In addition, the enemy has obtained from French industry more than 20 percent of its trucks, more than 10 percent of its locomotives, considerable quantities of tank parts, guns of various calibres, and munitions.

To accomplish these results, Germany has forced the French economy into an essentially unhealthy condition, allowing it to operate solely on the basis of what would help Germany, not what would enable France to live, either during the war or afterwards. If, for example, a plant furnishing the French people with consumer goods could be converted to the production of war matériel for the German army, such a conversion was made without the slightest regard for the needs of the French people. Nor was Germany interested in the maintenance of French industry unless it was of use to the Reich.

Considerable damage has also been done by Allied bombing to French factories forced to work for the Germans. As a result, the output of the French industrial plant taken as a whole has dropped rapidly since the war. Sources within France estimate that total production in 1942, for example, was only 50 percent of production in 1938. In addition, the extent of the damage to the French industrial plant during the present fighting on French soil has not yet been determined.

Farm Products for Reich

Germany has taken from France agricultural products second only in importance to those formerly obtained from the occupied Russian territories. France not only has been forced to feed the German army of occupation, but also has had to send to Germany considerable quantities of wheat, oats, potatoes, hay, straw, vegetables, fruit, meat, fats and oil, dry legumes, and wine.

This was done despite the fact that continental France has not been, and is not now, a surplus country agriculturally. Farm regions such as Normandy were forced to make up these exports to the Reich, while the great mass of Frenchmen were reduced to extremely scant rations.

Occupation costs exacted from France have been used by Germany to pay for Nazi takings in France. By August 1944, these costs amounted to more than 700,000,000,000 francs, equivalent to more than half the total occupation costs levied by Germany on all occupied countries. Some French exports were charged to a clearing account, and the Germans' debt in these accounts reached more than 150,000,000,000 francs by August 1944.

In Northwestern France

Germany's economic exploitation of France by regions has been as follows:

Northwestern France accounted for more than 60 percent of France's coal output of more than 40,000,000 tons. The iron ore mined here is of a high grade, and more than 2,500 tons a day have been shipped to Germany. The local heavy industry has produced only about 1,500,000 tons of steel, but the output of locomotives, rolling stock, and rails was considerable. The large ports of Le Havre and Cherbourg were important to the enemy's coastwise shipping while the ports of Lorient and St. Nazaire were used as a base for German submarines in their attacks on Atlantic shipping.

The Paris region manufactured trucks, aircraft, tank parts, machine tools, and antifriction bearings. In addition, this region has produced large amounts of pharmaceuticals, the loss of which will be greatly felt by Germany.

Southwestern Areas

The southwestern region of France has been an important source of hydroelectric power fed into a grid system covering most of the country. The chemical industry located here has produced some constituents of explosives used by the Germans, and large rubber factories had turned out more than 15 percent of all new tires in enemy Europe. Some merchant vessels were built for the Germans in the ports of Bordeaux and Nantes, and these ports were also useful to the Germans in their coastwise shipping. The loss of this region of France will sever German land communications with neutral Spain and Portugal and will prevent imports by rail from those countries.

(Continued on p. 42)

Late AIRGRAMS

Reports Submitted by Offices (in Latin America) of the U. S. Foreign Service

Uruguay

(From the U. S. Embassy, Montevideo)

Drought again threatens Uruguay. Rains late in July proved of short duration, leaving wells and streams low. Precipitation this year is said to be 150 mm. under the yearly average. A serious drought, so soon after the disastrous one of late 1942 and early 1943, would affect every aspect of Uruguayan life. Herds are still depleted, and cattle entries in the Montevideo market during August were the lowest in years, amounting to only 24,700 head. In consequence Montevideo is actually witnessing a meat shortage. This situation is not likely to improve because a scourge of spring aphid has practically destroyed the winter oat crop, the principal means of fattening winter cattle.

Agricultural prospects vary. The lack of rain has retarded the preparation of the land for early spring seeding, and unless there is heavy precipitation soon the outlook for both natural pastures and crops for next year will be poor. The drought has already delayed several weeks the sowing of flax, but the winter wheat crop is good and the yield should be slightly above average.

Industrial activity continues at high levels, especially in woolen and cotton goods lines, the former operating 24 hours daily. Cotton and rayon mills are also working at full capacity where they are able to obtain yarns, which are becoming increasingly scarce. Shoe manufacturers have begun working on spring orders, and prospects are encouraging. The metal-working industry is hampered in some cases by the lack of imported material, but on the whole it is in better shape than it has been at any time during the past 18 months.

August retail sales were equal to, if not higher than, those for the preceding month because of end-of-season sales, which were confined however, to locally produced goods, import merchandise being very scarce. Retail stocks in many lines are being depleted, especially in textiles, novelties, and sundry items.

Chile

(From the U. S. Embassy, Santiago)

Business conditions in Chile continued at previous levels during August except for increased interest on the part of Chilean businessmen in representing American firms and products in the postwar period.

During August around 5,000 short tons of reinforcing bars were approved for importation from excess stocks in the United States. Now the National Foreign Trade Council has decided to review the situation with a view to limiting importations to such quantities only as may be required over and above domestic production. Galvanized and barbed wire are in short supply as is also tinplate, stocks of the latter being very low. About 500 short tons of cast-iron pipe have been received for the different gas companies and, accordingly, this commodity is in easier supply than heretofore. Deliveries of iron and steel products were approximately 40 percent lower in August than in July. Prices of imported iron and steel commodities remained stationary, but prices of some of the domestic products, particularly builder's hardware, are somewhat lower. In general, existing stocks of iron and steel commodities are considered inadequate for present demand.

There is a growing demand for fractional-horsepower motors, as well as motors up to 3 horsepower. Stocks are practically exhausted and such motors as are available are mostly reconstructed and are being offered at extremely high prices.

A number of imported drug specialties have been slightly reduced in price, the average reduction being approximately 4 percent. A shortage of narcotics is reported, particularly of opium powder. Paint manufacturers continue to be concerned over their inability to obtain raw materials.

The first four steel third-class railway passenger cars constructed at the State Railways' shop in Valparaiso have been delivered. It is expected that during October public bids will be asked for the electrification of the State Railways between Santiago and the southern city of Talca. There is at present before the Chilean Congress a bill which proposes granting certain franchises to firms which may establish themselves in Chile for the production of steel. As drafted, the bill would restrict the franchises to organizations in which the Fomento Corporation holds a 30-percent interest. The Government has appointed to the important post of Executive Vice President of the Fomento Corporation Don Oscar Gajardo, who was previously Minister of Justice of President Rios' cabinet. Chile's first tire factory was officially inaugurated on September 7. Working at capacity the factory reportedly could produce over 100,000 tires a year. It begins operations with a stock of around 200 tons of natural and synthetic rubber.

The press announces that the recently appointed Local Committee of the Permanent Council of the American Associations of Commerce and Production is preparting for the representation of Chile at the forthcoming meeting in Atlantic City.

The cornerstone has been laid for the new building of the National Savings Bank in Santiago. It will cover almost an entire city block and will constitute one of Chile's most modern office buildings. August building permits for Santiago were for an estimated 15,000,000 pesos—a considerable drop from July when permits issued amounted to 60,000,000 pesos.

Chile is said to have arranged to export 1,500 metric tons of beans to Spain via Buenos Aires. The press reports that Costa Rica expects to negotiate a commercial treaty with Chile during the visit of its Minister of Agriculture to Santiago. To improve public transportation the Government has arranged for the Fomento Corporation to rent gasogenes for 300 pesos per month to bus owners; these attachments operate with wood charcoal. Chilean exporters report considerable interest by the United States in Chilean hardwoods. The United States Technical Fishery Mission to Chile is now inspecting the Juan Fernandez Islands, the source of the Chilean lobster trade.

August and the early days of September were characterized by very cold weather with much rain and snow. Judging by citrus fruit now on the market, there was appreciable frost damage, especially to oranges, during the past weeks.

The collective-bargaining dispute at one of the large copper companies, finally settled after intervention of President Rios, provides for wage increases and the payment of severance wages if, in the opinion of the President, future reductions in personnel justify such payment. The labor negotiations in the cement industry are still in progress, and the union has been threatening strike action. The public fears that any increase in wages in this industry will result in higher cement prices. Cement is in very short supply, and efforts are being made to speed up its importation. The 900,000 bags that the Government has authorized to be imported will reportedly come from the United States, Argentina, Uruguay, and Peru, and the Government is said to be in favor of rationing it with domestic cement.

Currency in circulation and peso deposits in the Central Bank on August 29 totalled 2,968,000,000 pesos, while the Bank's credits totalled 1,804,000,000 pesos. The Chilean national budget for 1945, calling for an expenditure of 4,100,000,000 pesos, has been sent to the Congress.

Venezuela

(From the U. S. Embassy, Caracas)

The principal economic development in Venezuela during the month of August

was a sharp decline in the price of corn, beans, and other staples. The Central Bank's index of wholesale food prices for the Federal District dropped more than 8 percent in August, and a further decline is expected for September. Meat shortages were still prevalent and led, in early September, to a Government decree forbidding cattle slaughter on Saturdays and the sale of meat for consumption on Sundays.

The supply of imported products continued to improve as a result of the unusually high level of imports from the United States during the past 5 months. Imports in August totaled about 46,000 metric tons—slightly less than the April-July average. Petroleum-company supplies and equipment, cement, iron and steel products, and wheat flour constituted the major portion of the entries.

Because of the abundant supply of lard, the import-control authorities have temporarily refused to issue licenses to import this product. This procedure is in line with the present policy of the import-control authorities of restricting the importation of products that can be supplied by Venezuelan industry and agriculture.

In accordance with its already expressed advocacy of additional post-war protection for Venezuela's expanding industries, the National Association of Merchants and Manufacturers published a study pointing out the disadvantageous competitive position in which Venezuelan industry has been placed by the high exchange value of the bolivar. Although admitting that existing circumstances do not justify devaluation, it was emphasized that additional tariff protection will be necessary to enable local manufacturers to compete with foreign products in the domestic market during the post-war period.

Wholesale and retail turn-over was reported as active, and credits and collections were rated from good to excellent.

The demand for construction materials was maintained by the continuation of the building boom in and about Caracas as well as by the extensive public-works program on aqueducts, sewage systems, roads, and Government buildings.

Petroleum production remained stationary during August, amounting to about 800,000 barrels per day, with an increase to about 850,000 barrels per day expected after the completion of the Jusepin-Puerto de la Cruz pipe line.

By a decree dated September 15, salaries of Government employees were increased 15 percent on salaries under 500 bolivares ($150) per month, and by 7 percent on those between 500 and 1,000 bolivares ($300) per month.

Colombia

(From the U. S. Embassy, Bogota)

Business conditions in Colombia remained at a high level during September, despite the uncertainty of domestic and international developments. Nearly all business indexes remained at or above the levels of previous months and for the corresponding period of 1943. Domestic production of important commodities, such as textiles, cement, bricks, leather, and sugar, however, fell below market requirements, and shortages in these lines were reported. The possibility of importing from 200,000 to 300,000 bags of sugar and substantial quantities of cement was reported to be under consideration by the price-control authorities.

Although the state of seige, which has been in force since July, has not been lifted, the Government has announced that Congress will be convened during the latter part of October. Important legislative matters scheduled for congressional action include a revision of the labor laws, a new petroleum law, and the adoption of financial measures to improve the budgetary situation of the Government.

The modernization and expansion of the Government radio, telephone, and telegraph lines of the country were authorized by a decree of September 12. The decree was generally regarded as the first step in the consolidation and unification of all communications into a single enterprise under Government control. All private concerns are required, under provisions of the decree, to connect their lines with the Government lines now in existence or to be established.

The coffee market remained firm, although transactions were few. Crops recently harvested have been almost entirely sold, under the stimulus of the latest price increase of the National Federation of Coffee Growers. Shipments against the 1944–45 quota to the United States have been permitted since September 1, and, as 60 percent of the entire quota has already been sold and is awaiting shipment, a serious congestion has resulted in the coffee warehouses.

Honduras

(From the U. S. Embassy, Tegucigalpa)

A new industry for Honduras was inaugurated the middle of September, when a glass and china factory began operation in Tegucigalpa under the name "Vidriería y Locería Copantl, S. A." The factory is equipped with modern machinery from the United States, and it plans to use exclusively raw materials found locally, which tests have proven are excellent for this purpose. At the present time the factory is manufacturing glass bottles and household chinaware. Other types of glassware will be produced as soon as new equipment is received and assembled.

In line with the wage increases announced in last month's airgram as having been adopted by two of the large organizations of the north-coast area, a third important company has also granted an increase of 10 centavos per hour in the wages of all wharf workers. This move improves the living conditions of another large group of workers in this area.

These three companies, which operate all the railroads in Honduras, have also united to announce a substantial reduction in railroad freight rates, to become effective in the near future. Although the new schedules have not yet been published, it is understood that the charges effect an average reduction of at least 25 percent. The cooperation of the three organizations in this move, resulting in such reductions for the entire north-coast area (the only area in Honduras served by railroads), has met with the general approval of all shippers.

In this connection, the reductions in air passenger and freight rates, and increased frequency of schedules, initiated last June by TACA Airways have proved of benefit not only to the public, but also to the company, owing to the increased volume of business. Although the new planes which are on order have not yet been received, and are not expected until the end of the year, the replacement parts situation has improved, and the company is now able to achieve more flight hours per plane with its present equipment.

The latest development of TACA is the inauguration on September 30, of a new thrice-weekly service to Mexico City, nonstop from San Salvador. This new schedule will greatly improve the congested present conditions of air travel between Honduras and the United States.

On September 1, 1944, the virtually completed Potrerillos-Pito Solo section of the highway connecting Tegucigalpa with the north coast of Honduras was officially dedicated by the Institute of Inter-American Affairs, which has sponsored its construction. By circling Lake Yojoa and thus eliminating the ferry service formerly necessary, the road is already saving both time and expense to truckers on this all-important route. The next day Servicio Cooperativo Interamericano de Salud Publica (SCISP) dedicated the new water filters it has constructed at Comayagua. These two developments have received much favorable comment throughout the country, with correspondingly increased enthusiasm for the "good-neighbor" policy of the United States.

Haiti

(From the U. S. Embassy, Port-au-Prince)

A late coffee crop has extended the normal summer dull season into September. Business is also depressed by the reduction in activities of the Société Haitiano-Américaine de Développment Agricole (SHADA or Haitian-American Agricultural Development Corporation) consequent to abandonment of the cryptostegia-rubber program. In addition, the possible adverse effect on business of a talked-of end to the war in Europe in the near future is viewed with concern and uncertainty. The end of the war is expected to bring a disruption in prices by reason of large stocks of some products being placed in freer supply in world markets. Because of this feeling there is considerable hesitation in buying and an evident attempt to dispose of inventories. Imports have been falling and Government revenues declining.

The concession granted to local textile merchants on July 26, 1944, for a monopoly in textile manufacture, calls

(Continued on p. 36)

News by COUNTRIES

Belgian Congo and Ruanda-Urundi

Tariffs and Trade Controls

Native Arabica Coffee: Special Permit Required for Exportation from Ruanda-Urundi.—Elective from June 5, 1944, every offer of sale and every contract of sale for exportation of native Arabica coffee from Ruanda-Urundi must be approved in advance by the Governor of Ruanda-Urundi, who may fix the selling the price of this coffee, by legislative ordinance No. 159/A. E. of June 5, published in the Bulletin Administratif of June 10, 1944.

Brazil

Exchange and Finance

Income-Tax Levy on Profits of Foreign Branch Firms.—Brazilian branches of foreign companies are subject to payment of the additional 10 percent tax on profits of individuals or corporate bodies resident or domiciled abroad. This is the case, regardless of whether such profits are remitted abroad to the parent company, according to decision No. 9.988–43 rendered by the Income Tax Department of the Ministry of Finance on August 25, 1944, and published in the Diario Oficial of that date.

The ruling was that profits earned by a branch organization are in reality the property of the parent organization, regardless of the manner in which they might be carried on the balance sheet of the branch. Therefore such profits, under the Brazilian Income Tax Law of 1943 (decree law No. 5844 of September 23, 1943) are subject to the payment of (*a*) an 8 percent tax as a Brazilian corporate entity (art. 44) and (*b*) an additional 10 percent tax (art. 100) as the branch of a corporate entity resident abroad. This income tax is payable regardless of whether the profits are remitted abroad, it being interpreted that the retention of the profits in Brazil merely indicates that it is deemed more profitable by the parent organization to invest these funds in Brazil in connection with the operations of the branch firm.

Tariffs and Trade Controls

Rubber Manufactures Continue Subject to Import License Control.—The importation of rubber products into Brazil continues to be prohibited except under previous authorization from the Export-Import Department of the Bank of Brazil, according to notice No. 79 of August 23, 1944. The Bank found it advisable to issue this reminder because of the fact that recently some firms have experienced difficulty in connection with the importation of certain rubber products from the United States.

[See FOREIGN COMMERCE WEEKLY of September 4, 1941, for the announcement of decree law No. 3457 of August 22, 1941, concerning Brazilian import- and export-license control of rubber products.]

Pyrethrum Flowers: Classification Standards for Export Established.—Regulations for the grading and classification of pyrethrum flowers for export were issued by the Minister of Agriculture in order No. 372 of May 15, 1944, published in the Brazilian Diario Oficial of May 17. Under the order, a schedule of fees was set up for the inspection of pyrethrum flowers.

[See FOREIGN COMMERCE WEEKLY of November 30, 1940, for the announcement of a series of decree laws establishing export standards and inspection regulations for specified agricultural and livestock products.]

Canada

Tariffs and Trade Controls

Dogs from the United States Must be Certified Free From Symptoms of Contagious Diseases.—All dogs for entry into Canada from the United States must be accompanied by a certificate, signed or endorsed by a veterinary inspector of the United States Bureau of Animal Industry, stating that the dogs have been inspected and found free from any symptoms of contagious disease, according to an order of the Canadian Department of Agriculture, effective September 15, 1944. The order further requires that the certificate state that the animals have not been exposed to the infection of rabies, and that no case of rabies has occurred within a radius of 50 miles of the place in which the dogs have been kept for a period of 6 months immediately prior to date of shipment.

Performing dogs entered for temporary stay and kept under direct control while in Canada are exempt from the above order.

The Cover Picture

New Zealand Pasture

The feature article which begins on page 5 of this issue gives most of the vital facts about the dairy industry in New Zealand, of which the obviously contented cows in this picture constitute at least a small part. The photograph was courteously furnished by the Dominion's Legation in Washington. The scene is strikingly impressive, and, though FOREIGN COMMERCE WEEKLY naturally has no special interest in lauding other people's landscapes, we are reminded of the assertion of a traveler who has been to just about "every place that they keep open"; he says: "New Zealand certainly has some of the finest scenery in the world."

China

Transport and Communication

Railway and Highway Extensions.—Railway construction in Free China during 1943 totaled 217 miles, and highways repaired or constructed amounted to 1,990 miles, states the foreign press. Railway development included the acquisition of 179 miles of line from the Indochina & Yunnan Railway; and rehabilitation of the 53-mile line from Shangjao (Kiangsi Province) to Chiangshan (Chekiang Province).

For the current year, the program announced by the Chinese Ministry of Communications includes extension of the Lunghai Line westward from Tienshui (Kansu Province), and completion of the Kwangsi-Kweichow Railway to Kewiyang.

Public traffic was inaugurated on March 1, 1944, on the Kwangsi-Kweichow Railway between Liuchow (Kwangsi Province) and Tuyun (Kweichow Province) approximately 275 miles.

Egypt

Exchange and Finance

Egyptian State Budget, 1944–45, a Record.—The Egyptian State Budget for the fiscal year beginning May 1, 1944, as fixed by law No. 114 issued on August 13, 1944, estimates total revenues at £E72,690,000 and expenditures at £E76,689,000, leaving a deficit of £E3,999,000 to be paid from the Government's ample reserve fund.

Total revenues at £E72,690,000 compare with £E65,000,000 for the 1943–44 fiscal year, representing an increase of 11.8 percent. Receipts from *customs* are expected to yield £E24,886,000, a rise of 8.3 percent, and from *railways*, next in order of importance, £E11,500,000 (9.5 percent up). Other main sources of revenue for

1944–45 are the land tax at £E5,044,700, with a decrease of £E289,300 owing to relief extended to small landowners in the form of a reduction in tax rates; the income tax at £E5,030,000 (£E4,630,000 the year before); the tax on excess profits at £E5,000,000 (£E2,250,000), chiefly as the result of higher rates; and the so-called additional tax on imports at £E3,310,000 (£E1,500,000) reflecting the higher tax rate in effect.

Expenditures are placed at a total of £E76,689,000, compared with £E65,000,000 in 1943–44. The excess of expenditures over receipts for 1944–45, £E3,999,000, represents the amount required for the execution of the first part of the Government's so-called Five-Year Plan.

The Ministry of Communications, including the State Railways, accounts for £E10,925,220 (£E10,731,760 the year before), the Ministry of Education £E7,089,600 (£E5,793,000), the Ministry of National Defense £E6,628,189 (£E7,886,400), the Ministry of Public Works, £E6,546,250 (£E7,023,200).

Of the £E3,999,000 appropriation for the first part of the Five-Year Plan, £E2,600,000 will go for irrigation works, £E725,000 for the construction of educational institutions and hospitals, £E210,000 for the enlargement of the Government-owned petroleum refinery, £E200,000 for the filling in of swamp lands, and £E100,000 for the enlargement of Almaza (Cairo) Airdrome. Details of the Five-Year Plan, involving the expenditure of £E28,000,000 for post-war reconstruction, are not yet available.

Tariffs and Trade Controls

Proposed Increase in Motor-Vehicle Licensing Fees.—A bill understood to have been drafted by the Ministry of Communications has been introduced in the Egyptian Chamber of Deputies and referred to the Committee on Finance, providing for increases in the annual licensing fees for motor vehicles, including a very substantial increase in the rates for trucks.

Under the proposed measure the license fee for private cars would be increased from £E6.20 to £E9 per car regardless of weight (1 £E=approximately $4.17).

According to a study made in Egypt of the new rates, the proposed new license fees for 1½-ton trucks range between £E136 and £E190 (depending on weight). For 3-ton trucks, the fee would amount to about £E421; and for 5-ton trucks, to about £E511.

The Egyptian Parliament is now adjourned and is not expected to reconvene before October.

Transport and Communication

Egyptian State Railways Show Increase.—Revenue for the Egyptian State Railways for the fiscal year ended April 30, 1944, reached the record total of $56,279,810, an increase of 27 percent over the corresponding period in 1943. Operating expenses totaled $30,066,750, against $25,310,850 for the corresponding period in 1943.

The number of passengers carried was 2,442,273 first-class (2,225,537), 9,591,160 second-class (9,190,206); and 46,131,821 third-class (45,665,655). Merchandise transported amounted to 8,486,958 metric tons against 8,095,369 in 1942–43.

France

Transport and Communication

Limited Mail Service to Additional Areas in Northern France.—Partial mail service has been resumed from the United States and possessions (including Alaska), to the whole of the Departments of Calvados and Manche in northern France, effective at once, by the Postmaster General's order No. 25897 of September 8, 1944, published in the United States Postal Bulletin of September 12.

This service is restricted exclusively to nonillustrated post cards of a personal character written in English or French. The post cards will be accepted for mailing to these Departments under the conditions and restrictions set forth in order No. 25851 of September 4, 1944, which permitted the mailing of nonillustrated post cards in English or French, of personal or family nature, from continental United States (excluding Alaska) to civilians in specified areas in the Departments of Calvados and Manche.

[See FOREIGN COMMERCE WEEKLY of September 16, 1944, for the text of order No. 25851 of September 4, 1944.]

French North Africa

Tariffs and Trade Controls

Certain Grains, Flour, Semolina, Legumes: Export-License Taxes Abolished in French Morocco. — Export-license taxes on certain grains, flour, semolina, and legumes have been abolished in the French Zone of Morocco, by an order of November 13, 1943, published in the Bulletin Officiel of June 9, 1944.

The products affected are: Edible beans, round peas, chickpeas, lentils; barley groats, semolina, and flour; dari, millet, and canary grass.

[See FOREIGN COMMERCE WEEKLY of January 31, 1942, and February 27 and May 8, 1943, for announcements of establishment of these taxes.]

Grains and Dried Legumes of the 1944 Harvest: Manufacture, Trade, and Prices Regulated in French Morocco.—The exportation of wheat and wheat products, the manufacture, sale, and use of flour,

Pertinent Comments on World Economy Today

[Being one of a series of excerpts from books, pamphlets, and speeches]

Transitional Measures: We Need a Clear Concept of a Correct Pattern

There will be pressures [post-war] to follow lines of least resistance and to minimize the immediate dimensions of reconversion and adjustment by keeping out imports on the one hand and subsidizing exports on the other.

The problems and the fears to which they give rise are real. They indicate the need for transitional measures as well as for long-term policies. Agreements for the demobilization of trade restrictions will have a greater prospect of acceptance if in some cases they provide for reductions by stages and if they include, under appropriate safeguards, provisions for emergency action to prevent the worsening of a seriously adverse balance-of-payments situation. The proposed financial institutions submitted by the Bretton Woods Conference will, if adopted, help to justify confidence that the pattern of trade can begin to rebuild itself on a multilateral basis without submitting some countries to severe deflationary effects.

With proper safeguards, commodity arrangements may be useful devices for orderly transition out of distress situations and not merely a means for the maintenance of prices and the perpetuation of unbalance. What is important is that such transition measures as are needed should be designed in connection with longer-run policies and so directed as to hasten the transition. Even so, they will need constant scrutiny, for the experience of countries which have embarked upon trade controls, trade diversion, commodity agreements, and other restrictive devices under the plea of emergency need bears eloquent witness to the fact that such devices tend to create their own justification for continuance. Emergencies may change their nature or their label but they seldom pass.

Piecemeal approaches brought us close to economic chaos once before. If the various measures which are taken to speed the transition from an economy geared to war needs to a peacetime economy and to maintain stability in an expanding world economy are to fit together and reinforce each other, there will be needed a clear concept of the pattern of the goals sought and of the manner in which each measure is designed to contribute to that pattern. Otherwise we and other countries are likely to find ourselves resorting once again to makeshift devices to bolster up and alleviate particular conditions of distress, in what someone has called "a scurrying hither and thither in chase of the unapprehended consequences of ill-considered actions."

(From a recent address by Leroy D. Stinebower, Adviser in the Office of Economic Affairs, Department of State.)

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"After the Collapse of Germany, the U. S. Commercial Company Will Try To Get as Much of Our Trade as Possible Handled *On a Private Basis*"

The U. S. Commercial Company, a Government corporation, has had and still has two major objectives—to assist in winning the war and, consistent with this objective, to aid American trade and industry as much as possible—Sidney H. Scheuer, executive director of the Bureau of Supplies of the Foreign Economic Administration, told the commercial traders of the Over-all Export Advisory Committee at a recent all-day meeting in Washington.

"The USCC," Mr. Scheuer said, "originally had the primary function of buying strategic and critical materials abroad to prevent them from getting into the hands of our enemies. That procurement program has been substantially reduced as a result of Allied victories. The major function of the USCC now is to procure strategic and critical materials vitally needed for our war program. These materials cover such items as quartz crystals for radio and electronic equipment, quinine for combatting malaria in our armed forces, balsa wood for fast-flying Mosquito bombers and for the Navy's life rafts, mahogany for naval and military aircraft and for PT boats."

Mr. Scheuer also pointed out that purchases have been made with Government funds only in an irreducible minimum of cases where it is necessary to do so. These purchases have been made with Government funds when wartime needs for strategic commodities were urgent or unpredictable or the military deadline for delivery stringent; when it was difficult or impossible for private importers to buy materials in a country where there was inflation and to bring them in and sell them under Office of Price Administration ceilings; where shipping and insurance rates were up; where the output of submarginal mines and high-cost plantations was needed; where new aggregations of labor had to be recruited and housed; where it was necessary to pay high prices to keep strategic materials in neutral countries out of Axis hands; where it was necessary to build "insurance stockpiles" both in this country and in foreign ports; and where problems arising out of the liberation of Axis-dominated areas created situations that private trade could not meet.

Even in Government purchases, however, it has been Foreign Economic Administration policy to encourage the greatest possible participation by private businessmen so that their facilities, skill, and experience could be used to the utmost, Mr. Scheuer said.

Import deliveries into the United States of all commodities for consumption rose from $2,318,000,000 in 1939 to $3,364,000,000 in 1943 and have continued to rise in 1944. Of the 1943 figures, an estimated 2,349,000,000 consisted of imports that were exclusively for private account—a figure greater than total imports in 1939, when almost 35 percent of our imports were from areas since cut off by the enemy.

The War Production Board has announced that after the defeat of Germany it will be possible to cut back our war production substantially. This will make possible cutbacks in the foreign procurement program for strategic and critical materials, although many will still be needed for the continuing war against Japan. The adjustment to this reduced procurement program will be met in such a way as to prevent unnecessary financial losses to American taxpayers, to best preserve our foreign relations, and to strengthen the foundations for a higher level of international trade after the war, officials told the committee.

After the collapse of Germany, the U. S. Commercial Company will try to get as much of our trade as possible handled on a private basis, the FEA Supplies Bureau executive said.

"FEA and the USCC," Mr. Scheuer asserted, "feel strongly that full and free international trade on as high a level as possible is not only necessary for the economic well-being of the United States but is also one of the soundest foundations for securing the peace."

Among other subjects discussed at the meeting were the licensing of surplus exports and trade with liberated and other areas. It was agreed that in the future it would be desirable to have more frequent meetings of the Over-all Committee, as well as the individual trade advisory committees.

and the marketing of grains and dried legumes of the 1944 harvest in the French Zone of Morocco were regulated by a series of orders published in the Bulletin Officiel of June 9, 1944.

Fish, Salted, Pressed, and Smoked: Preparation Regulated in Tunisia.—The preparation in Tunisia of salted, pressed, or smoked anchovies, sardines, sardinellas, and mackerel has been regulated by an order of May 24, 1944, published in the Journal Officiel Tunisien of June 2.

French West Africa

Tariffs and Trade Controls

Various Changes in Import and Export Duties and Taxes.—The following changes in import and export duties and taxes (not hitherto published in FOREIGN COMMERCE WEEKLY) took place in French West Africa during late 1941 and 1942, as published in the Journal Officiel of that colony (just received):

The import surtax on automobiles, motor trucks, and parts, of foreign (non-French) origin, was reduced from 45 percent to 8 percent ad valorem, and gasogenes were exempted from import surtax, effective November 29, 1941;

The import surtax on whole rice and on flour and semolina of rice, dari, millet, and canary grass, of foreign (non-French) origin, was suspended until further notice, effective January 3, 1942; on the same date, newsprint of any origin was exempted from the fiscal import duty;

The fiscal export tariff schedule was completely revised, with most products dutiable at 8 percent ad valorem, effective January 10, 1942; this schedule was again revised, with most of the rates increased to 11 percent ad valorem, effective July 4, 1942;

Effective November 1, 1942, the schedules of fiscal import and export duties, on products of any origin or destination, were revised by order No. 2510 F. of July 17, 1942. The rates were increased to include the then existing import and export sales ("chiffre d'affaires") taxes, compensatory (for sales) taxes, circulation taxes, and consumption taxes, all of which were abolished by this order and added in whole or in part, to the fiscal duties;

Newsprint, crude diamonds, used bicycles for replacement, and mining equipment not subject to import duty, were exempted from octroi-de-mer (sea-octroi) duty in Senegal, effective June 13, 1942;

A statistical tax, ranging from 3 to 20 francs per package, according to weight, was established on shipments exported by post which were not subject to export duty, effective September 12, 1942;

Effective November 1, 1942, all existing import and export sales ("chiffre d'affaires") taxes, compensatory (for sales) taxes, circulation taxes, and consumption taxes were abolished by order No. 2510 F. of July 17, 1942, and incorporated into the rates of the fiscal import and export tariff schedules;

Sea biscuits, tobacco products, peanut oil, beer, alcohol, candles, cotton fabrics, and kola nuts, produced or manufactured in French West Africa, were made subject to a "single" consumption tax, varying with the product, effective November 1, 1942, by order No. 2511 F. of July 17, 1942, which also abolished all existing consumption taxes;

Also effective on November 1, 1942, a transaction tax of 2 percent ad valorem on all sales and services (except specified foodstuffs), with a compensatory tax of the same amount on imports, was established by order No. 2512 F./3 of July 17, 1942; and

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Effective November 7, 1942, the octroi-de-mer (sea octroi) duties were abolished in all of French West Africa by order No. 3805 of October 29, promulgating French law No. 898 of September 28.

Haiti

Economic Conditions

The most significant feature of Haitian economy is the nation's foreign commerce. In the quarter April through June foreign trade was unusually heavy, and exports substantially exceeded imports. Total foreign trade in the first 9 months of the present fiscal year exceeded that recorded for any entire fiscal year since 1929–30. Among exports, coffee continued to constitute the most important single commodity, though shipments were less than in the fiscal year 1942–43. Very large shipments of sugar, however, contributed greatly to the total export volume. Both cotton and banana exports increased markedly. Sugar shipments to Canada and the United Kingdom and cotton exports to Colombia have decreased the relative share of Haitian exports to the United States, while cotton-textile imports from Mexico have reduced the position of the United States as a supplier of Haitian imports.

From all parts of Haiti there were reports of slack business. Wholesale and retail trade was reported very dull. Increased buying of bananas, although a considerable aid to business, did not compensate for the reduction in activities occasioned by abandonment of the cryptostegia rubber program. The severe drought which lasted from late 1943 until nearly the end of April added to the depression. Prolonged grinding of sugar by the Haytian-American Sugar Co. (HASCO) tended to alleviate conditions in the vicinities of Port-au-Prince and Leogane, but even in Port-au-Prince business was reported to be very poor.

Prices have moved steadily upward, and increased living costs have been particularly onerous for those with fixed income from salaries, wages, and rents. Actual shortages of foodstuffs occurred in April and May, but appeared to have been overcome in the last part of the quarter.

Government revenues in the quarter under review were the largest in recent years. Cumulative revenues for the first 9 months of 1943–44 were greater than fiscal revenues for any entire fiscal year since 1936–37. Revenues for the year continued to exceed expenditures, despite payments for reduction of the public debt.

Commodity Movements

Coffee movement in the present fiscal year was slower than usual for several reasons, but principally because of the application of the new Coffee Code exercising stringent regulations over production, preparation, warehousing, and export. When coffee finally began to move in large quantities, it was found that interior stocks were much larger than had been anticipated, and despite sizable exports in the quarter under review, warehouses continued to be filled. Crop estimates were rapidly revised from 20,000,000 kilograms to nearly 25,000,000 kilograms. During the quarter 9,488,931 kilograms were exported, valued at $2,115,141, as compared with 4,377,839 kilograms, valued at $961,481, for the corresponding period of 1942–43. Despite the quarter's substantial exports, however, total exports of coffee for the present fiscal and quota year are well behind those of 1942–43. The United States took practically all of the 1943–44 crop exports.

Sugar exports in the 3 months under review were greater than in any entire fiscal year in the history of the Republic since the colonial period. Stimulated by the Commodity Credit Corporation purchase contract, later taken over by the British Ministry of Food, sugar production in the 1943–44 year was the greatest in the history of HASCO. Sugar grinding of the 1944 crop was continued into July, 2 months beyond the normal season. The small carry-over from 1942, the large carry-over from 1943, and a substantial part of the 1944 sugar crop have already been moved. The 1944 sugar production amounted to 63,879 short tons, as compared with 48,096 short tons in 1943.

Exports of sisal in the quarter under review were smaller than those in the corresponding period of 1943. Exports in the first 9 months of the fiscal year 1943–44 were also well below those of the years 1942–43 and 1941–42. Peak production in the latter year had been attained by cutting accumulated leaf stock which had been left standing, in the fields since the year before because of poor prices and uncertain markets. The past 3 years of intensive development and increased plantings, however, will soon begin to be reflected in increased production. Except for small quantities sent to the Dominican Republic under special arrangements, all sisal produced in Haiti is exported to the United States.

Export shipments of bananas during April, May, and June 1944, were greater than in any corresponding period since the fiscal year 1940–41. Exports have been increasing gradually since the low of October and November 1942, when no bananas were shipped. Availability of shipping has been the most important factor in the regrowth of the trade. With shipping prospects favorable and prices high, production has been again stimulated. Exports of bananas during the quarter amounted to 612,712 stems, valued at $457,590, as compared with 104,623 stems, valued at $49,173 for the corresponding period of 1942–43. Except for minor quantities shipped to the Bahamas, the United States took practically all the bananas exported from Haiti.

High prices for cotton encouraged the picking of all available wild and semi-wild cotton. Exports during the 3-month period under review were 1,225,367 kilograms, valued at $332,319, mostly to Colombia, compared with 331,484 kilograms, valued at $75,287 in the corresponding period last year.

The cocoa crop is smaller than that of last year and has moved very slowly. Shipments have been irregular, falling well below those recorded last year. In the period under review, 532,274 kilograms were exported, valued at $84,389, as compared with 464,394 kilograms, valued at $68,214, for the comparable period of 1942–43.

Labor

The reduction and final abandonment of the Rubber Development Corporation's cryptostegia rubber program in May 1944 was the most important development in the field of labor in recent months. The cryptostegia program had increased SHADA's total employment to around 75,000 in the summer of 1943. By April 1944 SHADA's employment had shrunk to an average 11,243; during June 1944 this had fallen to 6,433, of which 4,412 were employed in SHADA's regular agricultural program, and only 2,021 in clearing up cryptostegia operations. With the termination of employment on the cryptostegia program many workers

Some Facts on Argentine Whaling

Production of blubber oil by an Argentine fishing concern operating off the South Georgia Islands (British islands lying some few hundred miles east of Tierra del Fuego) amounted to 27,070 barrels in the 1943–44 season (September 1943 to March 1944). This was some 5,000 barrels less than the output in the 1942–43 season and 8,000 barrels less than in the 1941–42 season.

Press oil yielded in the season ended March 1944 amounted to 17,536 barrels—about equal to the amount produced in the 1942–43 season and only slightly less than output in 1941–42. Production of sperm oil in 1943–44 totaled 50,001 barrels, approximately the same as last year's but 10,000 barrels less than in the 1941–42 season. All oil produced was valued at £250,000 compared with £284,000 in 1942–43 and £304,035 in 1941–42.

The operating company utilizes seven whale catchers of 280 gross tons each and 2 transport and supply ships of 8,600 and 6,500 net registered tons, respectively. In the 1943–44 season, 962 whales were caught, of which 535 were males and 427 females. The average male whale was 61½ feet in length and the female 60 feet in length.

During the season just past, four humpback whales were taken, the first since the 1940–41 season. In the 4-year period since 1940, there has been a steady decline of the total number of fin whales taken, but their average length has increased each season.

returned to their own farms, while others found employment in the expanding sisal industry. Extension of the sugar-grinding season and a 20-percent increase in salaries and wages in the industry effective in May was another important factor in the field of labor.

FOREIGN TRADE

In each of the months of April, May, and June, foreign trade was greater than that for any single month since the boom year 1928–29. Export values were at a high level and the import balance existing on March 31, 1944, of $1,598,000 was eliminated and an export balance of $705,130 established by June 30, 1944. Cumulative foreign commerce for the first 9 months of 1943–44 was greater than that recorded in any entire fiscal year since 1929–30.

The United States' share in Haitian trade has decreased substantially in 1943–44. Whereas in 1942–43 the United States was supplying more than 70 percent of all Haitian imports, the percentage has now dropped to about 65 percent. Shortages of textiles in the United States led local merchants to make heavy purchases in Mexico, raising that nation to second place as a supplier of Haitian imports, with nearly 20 percent of the trade. The shift in exports is explained by the heavy sugar shipments to the British Empire under the Commodity Credit Corporation purchase contract. Almost entirely as a result of sugar exports to Canada and the United Kingdom, the British share in Haitian export trade has increased from about 6 percent to 20 percent. Cotton shipments to Colombia have also contributed to the decrease in the trade with the United States.

India

Wartime Commodity Controls

Jute and Jute Manufactures: Prices Controlled.—Maximum and minimum prices at which raw jute and manufactured jute goods for export may be bought and sold have been established in India under a recent government order.

Coal: Mines Required to Report on Actual and Anticipated Disposals.—Under a Colliery Control Order, published in the Gazette of India, of July 28, 1944, the owner, agent, or manager of every coal mine in British India is required to prepare each month and send to the Coal Commissioner a correct return of actual and anticipated disposals of coal.

Information obtained from these returns is to be used to enable the Coal Commissioner to plan distribution in advance so as to insure the most economical use and transport of available coal.

Exchange and Finance

Administration of Exchange Controls Relaxed Somewhat During Year Ended June 30, 1944.—Restrictions on remittances of foreign exchange were relaxed to some extent in India during the year ended June 30, 1944. The United States dollar position was much easier, as a result of a reduction in dollar requirements as a consequence of large imports from the United States under lend-lease procedure. The easier position made possible a certain relaxation in the restrictions on the remittance of dollars. American firms were permitted to remit profits in full, and there was a release of amounts blocked under the import-trade-control regulations. The general policy was to permit remittances, with the exception of capital transfers, which if refused would merely pile up a deferred dollar liability.

Restrictions also were relaxed to some extent on remittances in other currencies.

Travel to places outside the sterling area which involved disbursements of foreign exchange continued to be subject to restriction. Facilities for the purchase of foreign exchange for travel purposes were limited to those traveling on official business or for business purposes approved by the Government of India.

A notice issued July 17, 1943, by the Government of India prohibited any person from proceeding outside India (except to the United Kingdom, Iraq, Arabia, or British East Africa) without a written permit from the Reserve Bank of India.

Tariffs and Trade Controls

Drugs and Medicines Containing Spirit Exempted from Increase in Customs Import Surtax.—A notice published in India on April 22, 1944, has exempted drugs and medicines containing spirit from the increase in the customs import surtax on spirits, tobacco, cigars, and cigarettes provided for under the Indian Finance Act of 1944. The surtax will continue to be levied and collected on goods covered by the exemption at the rate of one-fifth rather than at the increased rate of one-half of the amount of the customs duty.

[The customs import surtax of one-fifth of the amount of the customs duty was established on all imports March 1, 1942. See FOREIGN COMMERCE WEEKLY of July 25, 1942.]

Iran

Economic Conditions

During the first half of 1944 the economic situation in Iran showed only slight variation from 1943, although inflationary tendencies were somewhat less pronounced. Shortages persisted in many products, especially imports. Retail prices registered a further slow advance in contrast with a sharp drop in wholesale quotations. The outlook for the total grain crop is promising, although some regions report short yields. Industrial activity contained to be handicapped by inadequate equipment and limited transport facilities, but employment was well sustained by Allied military projects. Foreign trade remained on a restricted basis, and sales of dollar exchange were tightened. Budget estimates registered another increase. Special attention was directed toward improving the distribution of Government monopoly goods and the civil transport system.

GRAIN OUTLOOK NORMAL: PRICES HIGH

An average grain crop is expected for the current year, although wide fluctuations in yields are reported from various sections. After an excessively dry winter, rains during April and May were apparently too late to save the grain crop in the southern and southeastern areas, where a total loss is not improbable; in the central and western regions the prospects are fair, whereas good yields are forecast for the northern sections. With the carry-over from last year, the grain supply may be sufficient to cover domestic requirements, but successful distribution among the deficit areas will depend on transport facilities. As of July 6, 1944, grain collections were reported to be proceeding satisfactorily, totaling 363,592 metric tons (232,719 wheat and 130,873 barley).

The cotton crop is expected to total 10,000 tons (ginned cotton), which will cover about two-thirds of domestic requirements. Final figures for the 1943 refined sugar output show 21,400 tons, which is slightly smaller than earlier estimates.

The retail-price index recorded a further advance during the first half of 1944, despite a drop in wholesale prices. On June 21, 1944, the cost-of-living index was 1,122 (1936–37=100) compared with 1,085 on March 20, and 1,073 on January 21, 1944. The figures for the corresponding dates in 1943 were 874,778.3 and 613.9, respectively.

Statistical data are not available for wholesale prices, but unofficial estimates place the range of the drop during the second quarter between 20 and 25 percent, the decline being especially sharp early in June, following Allied invasion of Western Europe. Following the drop, a tightening of commercial credit was noted.

Industrial Operations

Only minor changes were noted along industrial lines during the period under review. Some of the smaller plants reported increased output, but most factories, particularly textile and chemical, continued to be handicapped by lack of spare parts, deterioration of equipment, and inadequate transport service, which disrupted distribution and flow of supplies. Part of the equipment difficulty was attributed to delay in submitting orders for factory requirements. In an attempt to deal with this problem, the Administrator General of Finance issued a regulation in January which provided that industrial import requirements for Iran would hereafter be determined by the Requirements Division of the Price Stabilization Section of the Ministry of Finance and the Administration of Industrial Supervision. This action was designed not only to meet the questions of shortages and supply deterioration, but also to generally stimulate the development of factories within the country. Other items of industrial interest included labor difficulties in the Isfahan textile factories, and the reopening in April of the soap and glycerin factory, which had been closed for several months.

Employment

Employment remained at a high level, principally as a result of projects for the Allied military authorities. Civil public works, on the other hand, continued to lag, and even seasonal construction of dwellings and shops, which normally starts in April, was noticeably less this year in Tehran.

Civil Transport

A shortage of motor vehicles and spare parts continued to handicap Iran's civil-transport system. Some improvement, however, was anticipated with the expected arrival of additional equipment and by the centralization of all civil-transport functions under the jurisdiction of the Road Transport Administration, which is now in process of reorganization.

Foreign Trade

Little change occurred in Iran's foreign commerce, as trading continued to be conducted within a relatively limited area. With imports subject to quotas established by the Middle East Supply Center, neighboring countries, such as India, the Soviet Union, Palestine, Syria, Lebanon, Egypt, Turkey, and Oman (Arabia), have become more important in Iran's import trade, in addition to the United States and the United Kingdom. Iran's exports continued to go principally to the United States, India, the Soviet Union, Palestine, Syria, Lebanon, Egypt, and Oman. The principal items shipped to the United States included carpets and rugs, gum tragacanth, lambskins, sausage casings, and opium.

The exchange of ratifications to the trade agreement between Iran and the United States in May 1944, in Washington, received favorable comment in Iranian press and commercial circles.

Distribution of Government Monopoly Goods

The problem of more efficient distribution to consumers, especially in the provinces, of Government-monopolized goods, principally tea, sugar, and cotton piece goods, became more urgent during the period under review. To cope with the situation, a special Distribution Section was created in the Ministry of Finance in February; it was given jurisdiction over the rationing of consumer goods, the movement of such goods, whether rationed or not, the distribution of such goods throughout the country, the licensing of private dealers, and the administration of Government stores. Cereals and bread were excepted from this jurisdiction. Up to the end of June only slight progress appears to have been made in improving the system of distribution.

Recognition of "Victory Fleet's" Great Achievements

In recognition of meritorious war service by American-flag ship operators under the direction of the War Shipping Administration, a specially designed pennant and certificate was presented to each operator on Victory Fleet Day, September 27. The presentations were made in a series of celebrations throughout the Nation.

All American ship operators who for the duration are general agents of the WSA and who have been acting as agents for not less than 6 months prior to September 27 were eligible to receive the flag. Other American ship operators who have time charter agreements and are operating not less than five ships under the same conditions were also eligible. Agents operating only foreign-flag ships were not eligible.

The pennant consists of two horizontal bars of red separated by a white bar with a large blue circle with the letters "WSA" in white imposed over the red and white bars at the staff end of the pennant. Blue stars are added to the pennant to indicate the number of ships operated by the agent—one star, 5 to 25 ships; two stars, 26 to 50 ships; three stars, 51 to 75 ships; four stars, 76 to 100 ships.

Nation-wide obervance of Victory Fleet Day, third anniversary of the launching of the S. S. *Patrick Henry*, first of more than 2,300 Liberty ships, was devoted to tribute to the shipping companies that have maintained global life-lines to all United Nations fighting fronts.

Thirty-four hundred ocean-going vessels now comprise the Victory Fleet that is supplying our armed forces. Sailings with war cargoes are now at the rate of 1,400 a month, or one every half hour; all the details of the huge operation are being entrusted to 130 American ship operators.

During the first half of this year almost 27,000,000 long tons of dry cargo were moved out of United States ports. At this rate the 47,000 000-ton record movement of last year will be substantially topped during 1944. The movement of petroleum products has soared even more impressively. In the first 6 months of this year 9,300,000 long tons were shipped in tankers, compared with 6,700,000 in the first half of 1943.

Exchange and Finance

Budget Operations.—Preliminary data on budget results for the 11 months ended February 20, 1944, show large increases in both receipts and expenditures. Ordinary revenues amounted to 3,275,979,000, or 46.7 percent above the preceding corresponding period, while expenditures were 3,584,126,000, or 51.9 percent higher. Commercial receipts (from Government commercial enterprises) during the corresponding period amounted to 2,574,656,000 rials, a gain of 17.1 percent, whereas commercial payments aggregated 3,648,141,000, an increase of 26.5 percent. The deficit for both categories totaled 1,381,632,000 rials as contrasted with a deficit of 810,463,000 rials in the preceding corresponding period.

For the year ending March 20, 1945, budget estimates, as submitted by the Minister of Finance to the Majless (Parliament), anticipate ordinary receipts of 3,957,619,660 rials (2,941,795,096 in 1943–44) and expenditures of 4,537,482,444 rials (3,756,017,077). Commercial revenues are estimated at 6,327,182,450 rials (4,735,352,987) and commercial expenditures at 5,754,849,275 (5,438,082,125), bringing total receipts to 10,284,802,110 (7,677,148,083 in 1943–44) and expenditures to 10,292,331,719 (9,194,099,202), indicating a small deficit of 7,529,609 rials against a deficit of 1,516,951,119 in 1943–44.

Purchase of Dollar Exchange Restricted.—Effective June 1, 1944, the Bank Melli Iran (National Bank) and the Imperial Bank of Iran, the two local banks dealing in foreign exchange, restricted the purchase of dollar exchange to the following: (1) Bonafide commercial transactions for the importation of goods from the United States; (2) limited payments to meet the expenses of Iranian students in the United States; (3) restricted amounts to cover traveling expenses to the United States; and (4) transactions in which persons already holding dollar credits sell them to a local bank and designate a particular person

to whom the credits are to be resold. This exchange restriction, which applies solely to dollars, is the first of its kind to be applied in Iran since the early part of 1943.

Metal Cover Conversion Proceeds: Restriction Lifted on Bank Note Shipments.—The program of planned conversion of the gold and silver cover for Iranian currency to gold exclusively continued. Up to the close of the first quarter gold totaling $7,500,000 in value was received from the United States, the Union of South Africa, and the Soviet Union, and additional orders for $3,500,000 were placed in the United States and the Union of South Africa. The sale of 500 metric tons of silver to India by the Bank Melli was also concluded under authorization of the Council of Ministers.

The ban on the exportation and importation of Iranian bank notes was lifted according to a decree issued by the Council of Ministers in March 1944.

Iraq

Exchange and Finance

Results of 1943–44 Financial Year Break Record.—Iraqi Government financial operations for the year ended March 31, 1944, show receipts of ID16,227,666, compared with ID12,004,366 for the preceding year, and expenditures of ID13,989,449, compared with ID11,236,192. (The Iraqi dinar (I. D.) is equal to the pound sterling, about $4.04.) Capital works revenue and expenditures, included in the regular budget this year were ID3,642,608 and ID1,189,582, respectively. Receipts from taxation on agricultural and natural produce, animals, and rents of Government property totaled ID3,882,644, compared with ID2,045,598; income and excess-profits taxes increased to ID1,696,544 from ID987,667; customs and excises decreased to ID3,960,298 from ID4,443,078. The largest item of expenditure was for defense, ID3,610,534, compared with ID3,017,673.

New Record High for 1944–45 Budget—The budget for the fiscal year ending March 31, 1945, passed by Parliament June 26, 1944, provides for receipts of ID17,712,740 and expenditures of ID17,812,200.

The estimated surplus on April 1, 1944, was ID4,190,884.

Kenya and Uganda

Transport and Communication

Railway Operations.—The Kenya and Uganda Railways and Harbours Administration reports that for the year ended December 31, 1943, a 12-percent increase was shown in freight traffic handled and an 18-percent increase in passenger traffic.

Despite depleted rolling stock the total earnings for 1943 amounted to £3,679,412 compared with £3,478,661 in 1942. Of this amount, £2,669,965 accrued from freight traffic, against £2,652,308 in 1942, and £761,101 from passenger traffic, compared with £609,227 in 1942. Ordinary working expenditures in 1943 totaled £2,124,644, compared with £1,857,156 in 1942.

Brazilian State Initiates Two-Price System to Benefit Working Classes

The Supply Commission of Rio Grande do Sul, in an effort to control prices and protect the working classes from the rising costs of living has initiated a two-price system for the sale of milk and meat. Under this system the population is divided into two groups, a lowest-income group and a higher-income group. The first group will be given coupons to be used for obtaining commodities which appear in the "tabela" or official ceiling price list. Coupon holders will then pay a determined price under the ceiling, while those who do not hold coupons are subjected to an increase in prices above the existing ceilings.

The plan is illustrated in connection with the sale of milk. Milk will be sold at 1 cruzeiro per liter ($0.05 in U. S. currency) to those who hold coupons and at 1.90 cruzeiros to those who do not. In addition to the price differential, the milk supply will also be divided between the two groups, with 40,000 liters of the supply going to the coupon-holding group and 20,000 liters to the second group.

Mexico

Economic Conditions

New National Resources Law Established

A new general law of national resources, which divides the national patrimony into public resources and Government-owned resources and defines these resources in detail, making provision for their utilization and control, originally passed by the Mexican Congress on December 31, 1941, was officially published August 26, 1944, to become effective 10 days thereafter. The new decree annuls the previous law of December 18, 1902, and subsequent amendments in conflict with its provisions.

All dependencies of the National Government and other public and private entities occupying real estate or other properties governed by this law must render an account, within 90 days after the effective date, stipulating the length of time that such properties have been occupied and the purposes for which they are being used. Persons in charge of places of public worship are required to render a similar account to the Secretary of Finance, together with an inventory of goods and chattels pertaining to such properties or their dependencies.

Regulations governing the procedure for carrying out the provisions of the new law will be issued later by the Executive.

Commercial Laws Digests

Acquisitions by National Interests of Foreign Holdings in Mexico Conditionally Exempted from Income Tax.—Operations in Mexico relative to the acquisition by national interests of foreign-owned or controlled enterprises, when carried out with the approval of the Ministry of Finance and under the supervision of a national credit institution, are exempted from the payment of income tax, under provisions of an Executive decree of August 8, published and effective August 30, 1944. This tax exemption will apply in the case of the formation of new companies, the merging, transformation, closing or liquidation of others, revaluation of assets, or any other operations similar to or connected with them.

Palestine

Economic Conditions

Draft of Trade Boards Ordinance Published

A draft of a Trade Boards Ordinance was published in the Palestine Gazette of August 17. The ordinance will provide for the establishment, on order of the High Commissioner, of a board for any trade in which no adequate machinery exists for the effective regulation of wages and conditions of employment. Members of trade boards, to be representative in equal numbers of employers and employees, are to be appointed by the Director of the Department of Labor in consultation with employers' and employees' organizations; in addition, appointive members, to be less in number than representative members, are also to be appointed by the Director, who is to name an appointive member as chairman. Trade boards are to fix minimum rates of wages, either time or piece, after notice and the hearing of objections. They are also to fix minimum conditions of employment with the approval of the Director of the Department of Labor. All determinations must be confirmed by order of the High Commissioner.

The draft ordinance is designed to give effect to recommendations of the Wages Committee and is based upon the United Kingdom Trade Boards Acts of 1909 and 1918.

Wartime Commodity Controls

Textile Industry Survey.—The Controller of Light Industries has issued forms to be filled out by every person possessing any textile machinery, according to notice in the Palestine Gazette of August 24. The information requested includes the kind and number of machines, the year of construction, whether power or hand-driven, capacity, and similar data. An accompanying note states that the object of the survey is to

determine the Palestine textile industry's capacity and requirements of raw materials, machinery and parts, to enable the Government to provide for import quotas.

Tariffs and Trade Controls

Metric System Established.—The metric system of weights and measures is now required to be used in all transactions with Government and local authorities and in the registration of all land transfers, according to an ordinance published in the Palestine Gazette of August 17, 1944. The ordinance also authorizes the High Commissioner to order the use of the metric system and to prohibit the use of any other system in other transactions. The ordinance includes a table of authorized equivalents between the metric and customary units, and provides for the production of standard weights and measures and of copies.

The High Commissioner has ordered the exclusive use of metric weights in the municipal areas of Haifa, Jaffa, Jerusalem, and Tel Aviv, effective August 24.

Spain

Exchange and Finance

Commission to Study National Income.—The Spanish Government, by an order of April 29, 1944, has set up an Interministerial Commission in the Council of National Economy for the study and evaluation of the national income.

The order states that the lack of information on the volume and distribution of the national income has seriously impeded the establishment of an economically adequate policy with regard to finance, taxation, state intervention in various fields of production, and readjustments of wages and prices.

Sweden

Transport and Communication

Railway Electrification.—The Halsingborg-Hassleholm and the Ramslova-Eslov railway lines in Sweden have electrified 76 miles of track, which creates an electrified triangle connecting with the two trunk lines, also electrified, the Malmo-Stockholm and the Malmo-Gothenburg lines, states the European press. The entire cost of electrification of the two recently completed lines amounted to approximately 18,000,000 crowns, according to this same source.

Switzerland

Tariffs and Trade Controls

Trade and Payments Agreements with Turkey Extended to December 1, 1944.—The trade and payments agreements of August 4, 1943, between Switzerland and Turkey, which were to have expired on September 1, 1944, have been extended until December 1, 1944, according to the Swiss press of September 1.

Transport and Communication

Railway Operations.—Passenger receipts of the Rhaetian Railways of Switzerland totaled 7,800,000 Swiss francs in 1943; working expenditures 9,700,000; working receipts 7,800,000; and working surplus 4,900,000 francs, according to the European press, compared with 6,600,000, 8,700,000, 6,600,000 and 4,100,000 francs, respectively, in 1942.

The budget for 1944, states this same source, shows working receipts of 13,970,000, and ancillary receipts at 4,800,000 Swiss francs.

Turkey

Transport and Communications

Rail and Port Construction.—Construction on the railway lines in Turkey to the Iraqi and Iranian borders continued during the second quarter of the year, and it was reported that the two lines had reached Kurtalan and Darahini, respectively. The 14-mile railway line from Diarbekr to Besiri was completed during the quarter.

In view of the above railway construction, as well as construction on the ports of Trabzon and Eregli, it has been necessary to increase the budget of the Ministry of Public Works by 50,000,000 Turkish pounds.

U. S. S. R.

Transport and Communication

River Shipping.—The present navigation season in the Soviet Union has been the most successful one since the beginning of the war. The number of river craft has been increased, and a greater quantity and variety of cargo has been carried. Boats have been salvaged and repaired, and new routes have been opened. The penetration of river boats into the interior districts along the minor tributaries of the main Russian water arteries—the Volga, Kama, Irtysh, Ob, and Yenisei—has made it possible to remove sizable reserves of grain accumulated there since last year's harvest.

The extension of water transport into new areas during the high-water period has served to reduce still further the load carried by the railways. In Siberia, the river-fleet authorities have ordered the continued use of small rivers for navigation, and local, collective-farm fleets are to be constructed. In the industrial cities lying along the river routes, boats have been helpful in building up stockpiles of local fuels in bulk and in bringing up reserves of grain and vegetables.

According to the Commissariat for the River Fleet, the plan for cargo tonnage as a whole was exceeded by 7.7 percent, and by still larger figures for grain and timber, during the first 6 months for the year, while the fleet bettered last year's performance for the corresponding period by 10 percent. The haulage of oil products, requiring self-propelled river craft, was increased from 16 to 24 percent of total cargo carried by speeding up the runs of this type of vessel. Last winter more than 1,000 damaged barges and power-driven vessels were reconditioned.

Hundreds of vessels sunk during the fighting and the German occupation of the Don, Kuban, Dnieper, Western Dvina, and other rivers have been raised and a considerable number repaired and put into service. In the Don and Kuban Basin, 75 percent of the fleet has been restored, and in the Dnieper Basin more than one-third.

Many river ports greatly improved their loading facilities. In Moscow's western port, for example, almost four times as much cargo was handled by machinery, in Gorki 20 percent more, and in Kotlas almost 50 percent.

Since the beginning of the war and the increase of congestion on the railroads, a number of rivers have gained considerable importance as transport routes. Such large industrial centers as Molotov, Berezniki, and Solikamsk, and industrial enterprises such as the Kransnovishersk cellulose and paper company, have come to depend upon the Kama River as the only medium for the transportation of their goods and raw materials. Of these, the port of Molotov is well equipped to handle direct loading and unloading from railway cars to vessels.

At all Russian river ports, the steamship companies are at present preparing and improving their facilities for handling the shipment of grain during the forthcoming harvesting season.

Moscow Subway Extension.—Construction work has now begun on the fourth section of the Moscow subway, the Russian press reports. The new line is being constructed in the shape of a large circle designed to intersect the main thoroughfares and squares of the capital and to link 7 of the 9 leading railroad

(Continued on p. 37)

Resourceful Russians

German Panther tanks that rolled insolently into the Russian oil territory not so very long ago have been harnessed down to work in the very business they came to destroy, according to the Soviet press. Repair work in the oil wells of the Baku region has been severely handicapped by lack of machinery capable of raising and lowering long sections of heavy pipes. Construction of stationary installations requires specially skilled labor, which also is scarce. Furthermore, such installations would have to be moved from time to time.

In order to meet this situation, the ingenious engineers of the Kaganovichneft Trust converted a captured German Panther tank into a high-powered mobile repair engine by equipping it with an 8-ton winch with reducing gears, electric motors, pumps, and a directing tower. Use of this equipment is said to be speeding up repair work considerably.

News by COMMODITIES

Beverages

Production in Republic of Panama

Alcoholic-beverage production in the Republic of Panama decreased 6.7 percent in June 1944, compared with the corresponding month of 1943, but showed an increase over May 1944, according to figures recently published by the Director of Statistics of the Controller General's Office of Panama.

The largest percentage of decrease were registered in whisky and liquors, beer decreasing only 5.8 percent.

Production of liquor by class in May and June 1944 and June 1943 are shown in the following table:

[In liters; 1 liter = 1.0567 quarts]

Class of liquor	June 1943	1944	
		May	June
Whisky	38,471	20,402	22,682
Rum	106,107	100,497	91,149
Cognac	3,454	3,248	5,054
Seco (native liquor)	53,632	49,781	54,331
Anis	19,384	16,015	11,977
Gin	20,749	22,425	22,646
Liquor, various [1]	5,806	3,047	1,787
Wines	22,335	24,276	20,784
Beer	2,340,269	2,118,089	2,205,615
Total	2,610,207	2,357,780	2,436,025

[1] Includes brandies, Planters' Punch, peppermint and other liquors not specified in this list.

Alcohol production amounted to 147,263 liters, an increase of 16 percent as compared with 126,762 liters in June 1943.

Increased Production in Australia

The production of distilled spirits in Australia has increased almost 200 percent since 1937. In the fiscal year July 1, 1936 to June 30, 1937, 9,394,043 imperial gallons were produced. In 1940–41, total production was 12,250,964 gallons, jumping to 21,399,854 gallons in the following year, and to 28,116,765 gallons in 1942–43.

There are reported to be 42 distilleries operating in Australia at the present time, located as follows: New South Wales, 9; Victoria, 17; Queensland, 4; and South Australia, 12.

There are no distilleries in Tasmania or Western Australia at present. Distilling units at wineries in Western Australia produce about 30,000 gallons of fortifying spirit each year to use with wines produced at the wineries, but quantities of fortifying spirit also are imported from eastern States. There are a few small distilling units at wineries in New South Wales.

The Commonwealth Government is operating the distillery at Cowra, New South Wales, primarily for the distillation of power alcohol from wheat, although it is understood that industrial alcohol is being produced at the present time. The Cowra plant was erected by the Colonial Sugar Refinining Co., Ltd., which is at present constructing similar plants for the distillation of power or industrial alcohol from wheat at Warracknabeal (Victoria), Wallaroo (South Australia), and Collie (Western Australia). Each of the four plants is to have an annual production capacity of 3,000,000 gallons of alcohol.

Probably the only instance of wartime use of potable spirits for industrial purposes in Australia was the conversion for about 18 months of a whisky- and gin-distilling plant to make power alcohol from wheat to provide wet alcohol to mix with gasoline. During the current year the raw-sugar position has been fairly critical, and many distilleries which were producing power alcohol for fuel have been switched to the production of industrial alcohol.

For the past 5 years, stocks of distilled spirits have not varied to any great extent. On June 30, 1939, they amounted to 6,867,529 imperial gallons and on the corresponding date in 1943 they totaled 6,618,935 imperial gallons.

Since 1938 Australia has exported and imported distilled spirits. The following table shows exports in the years 1938–39, 1941–42, and 1942–43.

Exports of Distilled Spirits From Australia

Item	Quantity (Imperial gallons)		
	1938–39	1941–42	1942–43
Brandy	114,673	206,082	160,917
Gin	1,755	73,021	85,430
Liqueurs	613	6,811	5,153
Rum	6,849	265,707	120,720
Whisky	2,518	110,339	53,160
Other spirituous liquors	882	29,926	17,827
Denatured spirits	9,289	22,987	10,717
Nonpotable spirituous preparations [1]	283,568	414,880	364,776
	Value in Australian (pounds) [2]		
Total value of exports	132,374	533,242	406,810

[1] Not elsewhere included.
[2] Bank selling rate on July 24, 1944, at $3.1982 to the Australian pound; buying rate, $3.2484.

Prior to the war, Australian liqueurs had a small market in New Zealand, and after the war started in Europe they were sold in small quantities in countries near Australia which formerly obtained their liqueurs from Europe. Some bottled rum has been sold in the nearby islands in the past 3 years. New Zealand purchased small quantities of bulk whisky before the war, and subsequently a small market for this product was developed in Canada and Malaya. The principal market for a small quantity of denatured spirits has always been the Fiji Islands.

Imports of Distilled Spirits Into Australia

Item	Quantity (Imperial gallons)		
	1938–39	1941–42	1942–43
Brandy	21,565	28	100
Gin	54,178	23,491	4,787
Liqueurs	22,340	1,541	328
Rum	15,253	2,848	205
Whisky	523,346	205,126	67,904
Other spirituous liquors	7,193	27	53,560
Amylic alcohol and fusel oil	5,537	7,273	2
Denatured spirits	79	130	-------
	Value (in English pounds) [1]		
Total value of imports	649,049	332,440	130,770

[1] London-New York exchange rate, July 24, 1944: Buying, $4.035; selling, $4.025.

Australia purchased nearly all its imports of bottled and bulk brandy from France. Sources of liqueurs were France,

Cooperative Farming Seen as Need of Brazil's Agriculture

The cooperative farming movement is the answer to some of Brazil's agricultural problems of the future, according to Dr. Edward C. Pinheiro, of Brazil, who has spent a year studying agricultural methods in the United States as a guest of the Institute of Inter-American Affairs.

"The foundation of Brazilian economy is agriculture, and it will be for some time to come, despite my country's rapid industrialization," Dr. Pinheiro said in an interview on his return to Washington.

He pointed out that the cooperative farming movement is ideally suited for Brazil, especially in the Amazon basin, because Brazilian farms are usually small and the operators are of modest means. Cooperative movements have sprung up in some parts of the Amazon with great success in the past few years, he added.

"Brazilian farmers," he continued, "believe in helping each other. They are not able to buy machinery for themselves, but through a cooperative share-cost program all modern farm implements can be purchased cheaply and used on a sharing basis. The cooperative movement will spread rapidly throughout Brazil in the post-war period and it will improve general living conditions."

Denmark, the Netherlands, the United Kingdom, and China. Bulk rum was imported from British Guiana and the British West Indies. Amylic alcohol and fusel oil came from the United States, Canada, and the United Kingdom.

In 1939–40 the Australian distilling industry used the following materials: Barley, 88,209 bushels; barley malt, 71,702 bushels; molasses, 77,658 long tons; wine, 9,662,351 imperial gallons; raisins and currants, 597 long tons; and grapes, 7,438 long tons.

Practically all raw material used in the production of distilled spirits are produced in the country. Wine is produced principally in South Australia and New South Wales and, in addition to that, grape production is fairly large in Victoria. The principal raisin- and currant-producing States are Victoria and South Australia. All wheat used in the production of power alcohol is raised in Australia.

Production and distribution of distilled spirits are regulated by the Federal Government. The Department of Trade and Customs is the principal Federal department concerned. Basic legislation on the subject is the Distillation Act 1901–25, as amended, and the Spirits Act 1906–35.

Australian distillers have little reason to complain about wartime controls except insofar as shortages of manpower, raw materials, and coal, which are affecting all industries, have influenced the production of spirits. Although sales of spirits to civilians have been cut by one-third, there is unrestricted production and distribution of whisky, gin, and brandy for export and consumption by the armed forces. Especially in Victoria, the leading State in the distilling industry, the production of potable spirits is probably as large as at any time before the war. Brandy is reported as being produced in increased quantities for export after the war.

Both the public and the distillers believe that the distilling industry probably will return to normal shortly after the war ends in the Pacific. However, present restrictions on the production of malting barley may prevent any great increase in spirits production for some time after the restrictions are removed.

It is anticipated that after the war the Australian distilling industry—protected by substantial tariff duties on spirits and with all the raw materials of the industry procurable in the country—will continue to supply most of the Australian demand for distilled spirits and that exports will be made to New Zealand, Malaya, the Fiji Islands, and (in the case of brandy) to Canada and the United Kingdom.

Owing to the tariff, it is believed that United States rye and bourbon whiskies or gin do not have much chance of participating in the Australian market. There is a limited market for imported whisky and gin, but Scotch whisky and English or Dutch gin is said to be generally preferred.

The Canadian Hops Situation

Canada will have a larger crop of hops this year than last, preliminary estimates indicate. British Columbia may have a harvest of nearly 2,000,000 pounds, and Ontario and Quebec, approximately 200,000 pounds. Last year production in British Columbia amounted to 1,554,800 pounds, and 191,600 pounds were produced in the Ontario and Quebec districts.

The growth of hops in British Columbia has been favored by dry weather and very little mildew or aphis. One of the five producers expects a yield per acre of 6 or 7 bales (of 200 pounds each), compared with 5 bales last year.

Disease lowered the 1942–43 yield in eastern Ontario and the Fournier district of Quebec. The hops came through the winter in weakened condition, but yields of between 700 and 750 pounds per acre are possible from the better hop yards. Acreage has not been increased because of scarcity of labor. One new grower, with 25 acres, has installed an improved automatic-drying system which greatly reduces the normal 13 hours required.

Hops used by Canadian brewers during the crop year 1943–44 (October to September) will total about 3,500,000 pounds, as compared with 3,200,000 pounds in the preceding year and 3,640,000 pounds in 1941–42. Malt entered for consumption during the 9 months ended June 1944 amounted to 165,200,000 pounds; it is assumed that during the remaining 3 months the quantity will be between 60,000,000 and 65,000,000 pounds.

The supply of hops for the crop year 1943–44 consisted of 1,750,000 pounds grown in Canada, plus 1,290,000 pounds imported during the 8-month period October to May and unknown stocks at the beginning of the period. Imports are generally negligible from June to September. Exports from October to June were 80,000 pounds.

Canadian hops requirements were not greatly increased after March 13, 1944, when the Government canceled its mandatory 10 percent reduction in the quantity of beer sold for civilian consumption in Canada, as compared with the 12 months preceding November 1, 1942. Malt supply was limited by outstanding export contracts and by the fact that maltsters were already using their malting floors to full capacity. The scarcity of bottles, caps, and cartons did not affect the production of barreled beer.

The price per pound of Canadian hops this year is expected to be about the same as the 70 cents obtained last year.

Progress on Rail Line Linking France and Spain

Construction on another railway line to connect Spain and France has been making progress recently, with tunnels and bridges on the Spanish side nearing completion, according to the European press.

The first section of the new line from Lerida, on the Zaragoza-Barcelona northern line, is in operation as far as Balaguer. From that point, the line is to be projected through the valley of the Noguera Pallaresa River, via Tremp and Esterri de Aneu to Isil at the Spanish frontier.

A mountain on the boundary, Point de Salan, is to be tunneled. From Couflens (France) the line is said to be projected through the valley of the Salat River to Sentein and on to St. Girons, from which place connections are to be made with the Toulouse-Tarbes main line at Bousbens.

Chemicals

New Insecticide Used in Brazil

The insecticide "DDT" is not at present manufactured in Brazil. However, it is planned to place on the market a number of products containing from 5 to 10 percent of this material. They will include preparations in powder and liquid form for various agricultural and household uses, as well as those against specific pests, such as mosquitoes and fleas.

Large quantities of sulfur and arsenical insecticides are now used in Brazil. Although the most important outlet for DDT would appear to be in agriculture, the effectiveness of this new insecticide against the "Sauva" ant, one of the most serious threats to farming areas, has not yet been established.

Since the synthetic organic chemicals used in the manufacture of DDT are not produced in Brazil, the raw materials necessary for domestic production would have to be imported.

Barium-Chloride Production and Consumption, Brazil

In 1943, Eletro-Quimica Fluminese, a leading Brazilian consumer of barium chloride, began production of this material. Before that time, Brazil's requirements were supplied entirely by imports, principally from Germany in pre-war years. Average annual imports formerly amounted to 80 to 100 metric tons.

Eletro-Quimica is now producing approximately 95 tons annually, all of which is consumed in its own plant. The company, a large producer of chlorine and allied products, uses barium chloride for the purification of the salt employed in its manufacturing processes.

Since this concern began production of its own barium chloride, imports have dropped substantially. Unless the company supplies other industries, imports probably will reach a maximum of only 50 tons annually. This would mean a total annual consumption in Brazil of approximately 150 tons. Eletro-Quimica, so far, has not attempted to supply the local demand for barium chloride, although its production capacity is considerably in excess of its own needs. It has two furnaces for the roasting process, only one of which is used at present.

Approximately 80 percent of the barium chloride consumed in Brazil is for salt purification. The remainder is taken principally by tanneries, paper mills, and textile mills, and the pharmaceutical industry uses a small amount. Barium chloride for pharmaceutical purposes cannot be supplied by Eletro

Plenty of Uses for Brazilian Babassú

Most persons who are at all familiar with Western Hemisphere products have some degree of knowledge of Brazil's babassú tree (spelled "babaçú" by the Brazilians themselves)—but one sometimes hears the query "What's it good for? What are its actual uses?" The Brazilian Government Trade Bureau has just put out a reasonably comprehensive statement of the varied uses of the babassú tree and its several parts and products. Distinctly eye-opening, this reads as follows (leading one to understand why the Brazilians like to refer to babassú as "the wonder tree"):

The trunk: Props and stays.

Raw sap: A food for horses.

New leaves: Walls, partitions, and roofing for native huts.

Dried leaves: When cut into narrow strips—in the manufacture of mats, baskets, saddlebags, fish traps, sacks, and hats.

Stalks on which nuts grow: Excellent fertilizer.

Whole nut: Burned and used to add smoke in wild-rubber curing process; when allowed to rot, makes excellent fertilizer.

Shells and Husks: Source of fuel which, when submitted to distillation, provides excellent coke and such byproducts as pyroligenous acid, lubricating oils, carbolic acid, cresol, resins, dyes, acetic acid (used in the manufacture of varnish solvents, synthetic textiles, dyestuffs and acetone), pitch (for roadbuilding purposes) and carbon (useful for gas masks). Also used in button manufacture.

Mesocarp: When ground provides a babassú flour.

Epicarp: Fibrous, used in manufacture of brushes, matting, and particularly rope, as it is resistant to salt water.

Oil: Used in manufacture of soaps, shaving creams, perfumes and vegetable butter. As light lubricant, superior to cottonseed oil [this is the Brazilian statement] and does not attack bronze. Almost as good as petroleum fuels in operation of Diesel engines. Adaptable for use in certain other internal-combustion engines for operations of tractors and automobiles. Caproic, caprylic, and capric acids of oil useful in manufacture of bullet-proof glass.

Cake residue: Animal feed.

Quimica, since equipment is not available for the necessary refining process. This grade must continue to be imported.

Peruvian Imports of Citric and Tartaric Acids

Since the war, Argentina has become Peru's principal source of tartaric acid. Shipments have been received occasionally from Spain. Tartaric acid has been used to supplement reduced supplies of citric acid.

Citric acid is not produced in Peru and the United States is now the principal supplier. It is used in manufacturing wine, soft drinks confectionery, and pharmaceuticals.

Italy, Germany, and Spain were the leading pre-war suppliers of citric and tartaric acid to Peru.

Chemical Developments in Spain

Construction of a new synthetic-resin factory at Mataro, near Barcelona, Spain, has been authorized by the Spanish Government, a European chemical magazine reports. An electro-chemical plant for the production of caustic soda, chlorine, hydrogen, and other materials will be established at Cardona, north of Barcelona. Large rock salt deposits are found in this region.

Swedish Company to Erect New Methanol Factory

Stockholm Superfosfat Fabriks A/B will erect a synthetic methanol factory at their Stockvik plant. This material has been obtained in smaller quantities as a byproduct of pulp mills and wood-distillation plants. The process to be employed will produce methanol by high-pressure synthesis from "synthetic gas" obtained by converting wood or coke to gas with the use of oxygen and steam. Oxygen is available in large quantities as a byproduct at the company's Stockvik plant.

The new methanol factory will have an initial capacity of 2,000 to 3,000 metric tons annually. Construction is expected to start immediately and to be completed within a year. Part of the equipment has been ordered.

Coal, Coke, Charcoal, and Fuel Gases

Coal Situation in New Zealand

Production of coal in New Zealand amounted to 2,787,868 long tons in the calendar year 1943, an increase of 107,827 tons over the 1942 production of 2,680,041 tons. The production of persons working below ground decreased, however, to an average of 697.14 tons in 1943 from 732.45 tons in the preceding year.

Reductions in imports, from 90,865 tons in 1942 to 37,454 tons in 1943, and in exports, from 54,700 to 42,522 tons, are also reported.

Charcoal Production and Use, Sweden

The future of the Swedish charcoal industry has been the subject of much discussion in the Swedish press. Much anxiety has been caused among the 6,000 producers by the fact that an excess production of perhaps 1,000,000 cubic meters will remain unsold at the end of the season, coupled with the post-war prospects of gasoline again being available for the 70,000 gas-generator-driven automobiles which now consume 2,000,000 cubic meters of charcoal each year.

However, there are other factors governing the continuation of charcoal production and of gas-generator drives using this fuel. One of these factors is that, in addition to charcoal, dry distillation of wood produces numerous other valuable byproducts which are gaining increasing use. Claims are made, according to one report, that dry distillation of wood is more profitable than turning the wood into pulp. The statement is made that if the byproducts are saved, their sales cover four-fifths of the manufacturing cost, leaving only one-fifth to be covered by charcoal, and that charcoal cost can be brought down to 2 crowns ($0.475) per hectoliter and could be kept there if sales could be guaranteed for a year ahead. It is claimed that the present high cost of charcoal—5 crowns as compared with 1.35 crowns in 1940—is owing, in part, to the necessity of writing off the war-time charcoal plants within a comparatively short time, and to higher costs of containers, transportation, and distribution, but it is attributed principally to the waste of distillation products.

Comparisons are made of the per-mile cost of running the automobiles with charcoal and with gasoline, and the conclusion is drawn that if the price of charcoal can be reduced to 2 crowns, as above outlined, charcoal will remain a strong competitor for years to come.

Chilean Exports of Coal and Coke

Fuel exports from Chile in the first 6 months of 1944 included 11,053 metric tons of coal and 4,284 tons of coke.

Coal and Coke Production, Turkey

Coal production in Turkey is expected to reach a record of 4,000,000 tons in 1944.

Production in the Zonguldak coal basin was reported at 3,165,741 tons in 1943 (a 28-percent increase over the 1942 output of 2,509,614 tons). About 2,000,000 tons were shipped in 1943 from the Zonguldak coal basin to various parts of the country, in addition to 47,677 tons of semicoke and 30,256 tons of briquet. Industrial coke produced in 1943 by the Karabuk Iron and Steel Plant totaled 183,000 tons.

Following a recent earthquake at Gemlik, a new coal mine was discovered. According to an analysis, the quality of the coal is superior to that of the Zonguldak mine.

Coal Situation in U. K.

Production of coal in the United Kingdom must be increased or consumption must be lowered if the large demand is to be met, states a British press review of the statistical summary of the coal-mining industry since 1938, as made by the Ministry of Fuel and Power recently. The report points out that despite 4,500,000 tons produced in the Government's

new open-cast workings, production of salable coal amounted to only 199,000,000 tons in 1943, 28,000,000 less than in 1938, whereas consumption rose by 10,000,000 tons, or to 191,000,000. Exports and foreign bunkers took only 7,250,000 tons in 1943, as compared with 46,250,000 tons in 1938, thus constituting the main saving. It is stated that with the problem of liberated Europe beginning, there is little hope of further economy in this item.

Consumption in 1943 was some 7,000,000 tons below the preceding year. The peak during the 6-year period under review was reached by the utilities in 1942 in which year this class—which includes gas, electricity, railways, waterworks, coke ovens, collieries and miners' coal—consumed 96,300,000 tons, or almost 14,000,000 tons more than in 1938. "Other users" class took 96,000,000 tons in 1938, reached its peak of 104,300,000 tons in 1940, and fell well below the 1938 figure in 1943, consuming 92,000,000 tons.

During the first quarter of 1944 consumption was 1,500,000 tons higher than for the corresponding period the preceding year. The rise in consumption by the utility class was attributed to a further increase in sales to electrical undertakings, which is running nearly 50 percent above the 1938 figure and accounted for 22,600,000 tons in 1943. Increases in consumption were also noted in the miscellaneous group composed of domestic consumers, service departments, coastwise bunkers, and small industrialists. Consumption by larger industrialists was slightly smaller, however. The last-named class had effected a reduction in consumption, from 46,100,000 tons in 1941 (and probably more in 1942) to 43,900,000 tons in 1943.

These consumption figures may reflect some tangible results from the Fuel Efficiency campaign which included courses at technical colleges, the cooperation of committees set up by trade associations, and the work of the Regional Committees with their 88 full-time engineers and 610 part-time volunteers.

Production difficulties are said to have been great. In the mines themselves, labor is the limiting factor, the number of wage earners on the colliery books having fallen from 781,700 in 1938 to 697,600 in 1941. Since that time, abnormal recruitment has slightly more than offset the natural wastage, but there was a further recession to 703,600 in the first quarter of 1944, 10,000 below the figure for the preceding year.

Output per wage-earner per annum, which just exceeded 300 tons in 1939, fell below 275 tons in 1943. That this is not entirely owing to absenteeism is indicated by the decrease in output per man-shift actually worked from 1.13 to 1.03 tons in the same period, and per man-shift worked at the face from 2.97 to 2.75 tons. Much of this decline is attributed to fatigue and to increase in average age of the miners.

As indicative of the proficiency with which the available labor was utilized, the report points out that the tonnage of coal cut by machine was only slightly less than in 1938, so that the reduction of 31,000,000 tons in total raised and weighed was borne by the nonmechanized part of the industry. Imports of American machines have not been sufficient to more than replace those fallen out of use since 1938, the total numbers in use being respectively 7,729 in 1938 and 7,794 in 1943. However, the total number increased in 1943 by 600 in comparison with 1942, so that the new machines have not yet shown their full effect. There was a decrease in amount of coal cut per machine, as compared with 1942, in the districts which received the bulk of increase in number of machines. This decrease is attributed to the late arrival of new machines, rather than the lack of labor to operate them. A mechanization training center has been established by the Ministry of Labor at Sheffield, and the use of power loaders and mechanical conveyors has been increased. Because of these factors, the hope is held out for another 10,000,000 or 12,000,000 tons of production in a full year.

Production of Oil and Fuel Gases, U. K.

Every effort is being made in Great Britain to examine full possibilities of producing oil from coal on an extensive scale, says the British press. Attention is being paid to development of uses for valuable byproducts of such production.

Production of benzol from coke ovens is reported to have been "greatly extended." This product is being utilized in the manufacture of aviation gasoline and toluene for explosives instead of as a regular motor fuel, as was the case before the war.

According to a report by the British Ministry of Fuel and Power, use of gas oil in the gas industry has increased from 32,707,000 gallons in 1938 to 52,700,000 gallons in 1943. Amounts of gas oil made available to the water-gas industry have made possible so great an increase in output of this commodity that annual production of 41,289,000,000 cubic feet is roughly 12 percent of total output of the entire gas industry.

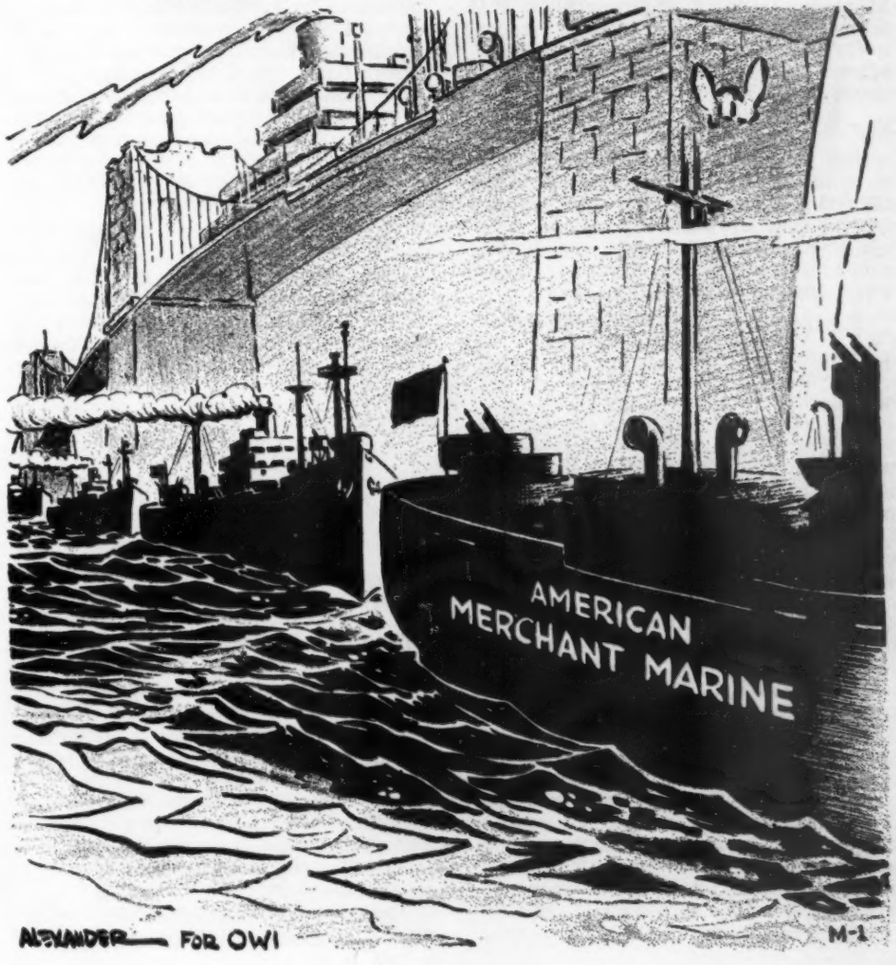
Increased Coal Production, Union of South Africa

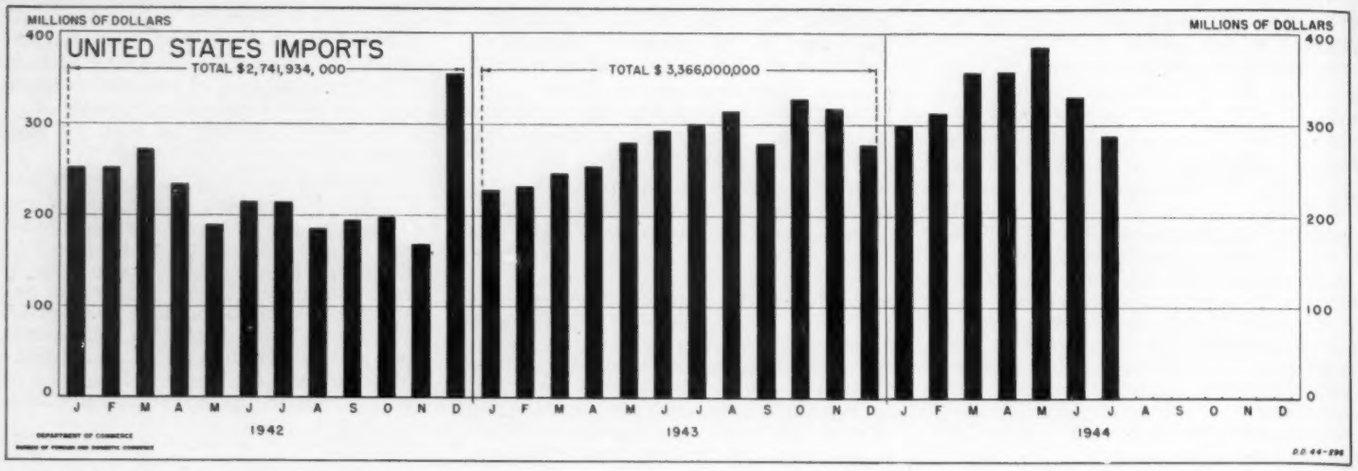
The production of coal in the Union of South Africa increased from 20,213,308 short tons, valued at £5,909,832, in 1941 to 22,101,575 tons (£6,561,981) in 1942 and 22,287,291 tons (£6,715,991) in 1943.

Decreased Coal Imports, Venezuela

Coal imports into the port of La Guaira, Venezuela, in the first 7 months of 1944 totaled only 53 metric tons. In the year 1943, 5,024 metric tons were imported.

BRIDGE TO A VICTORIOUS PEACE





Construction

Value of Australian Private Building Permits

The value of private building permits issued in the six Australian capital cities and suburbs during May 1944 amounted to £303,000, as against £347,000 for May 1943, and £260,000 for May 1942, says an official Australian publication.

Increased Number of Building Permits, Montreal, Canada

Building permits issued in Greater Montreal for the first 6 months of 1944 totaled $11,238,989 Canadian currency, a 137 percent increase over the $4,743,028 of the corresponding period of 1943, states a Canadian trade journal.

Eire Plans 5-Year Construction Program

Eire is considering a new 5-year construction program which will cost about £68,000,000, says a British trade journal Of this sum, £14,000,000 will be used for building roads; £2,000,000 for harbor works; £10,500,000 for airdromes; and £7,500,000 for public-utility schemes.

Exploitation of Natural Water Resources, India

The Madras (India) Government is considering a number of proposed projects for the exploitation of its natural water resources. A $7,410,000 reservoir, which will hold 17,740 000,000 cubic feet of water and irrigate 207,000 acres of land is to be built. Although partial irrigation will be possible after the fifth year of construction, 5 additional years will be needed to complete the project.

Investigations are being made as to the feasibility of building a reservoir with a capacity of 35,000,000,000 cubic feet on the Gandikota River, at a cost of about $9,750,000. The project would provide irrigation benefits for about 100,000 acres of dry crop land in the Cuddapah district and 150,000 acres of wet crop land in the Nellore district.

One of the most impressive projects under consideration is that of constructing a reservoir on the Godavari River which would have a capacity of 200,000,000,000 cubic feet and be capable of irrigating an area of 1,800,000 acres in the Godavari and Kistna deltas. It is thought that the cost of the project would be from $120,000,000 to $150,000,000.

Plans are in preparation for repairing the drainage system in the West Godavari and Kistna districts. It will cost $3,000,000.

The Gundlacamma irrigation project calls for a reservoir with a capacity of 4,800,000,000 cubic feet. About $1,860,000 will be needed for this scheme.

Construction of Tenement Buildings, Republic of Panama

Modern tenement buildings are expected to be erected in Panama City and Colon, Republic of Panama, by the newly established Urbanization and Rehabilitation Bank. This bank also is to effect other measures designed to relieve the prevalent housing shortage at the earliest possible date, says the local press.

Greater Production of Prefabricated Houses, U. K.

England is anticipating a greater production of prefabricated houses by the end of the year. The type of house being manufactured will serve as a "stop-gap" in distressed areas until more permanent dwellings can be constructed. The cost of these houses will be approximately £550 each.

Electrical Machinery and Equipment

Haiti

Haiti is studying the possibility of utilizing two of its water-power resources for the purpose of producing electricity. Only one hydroelectric station exists in Haiti; it produces about 100,000 kilowatt-hours annually.

One of the sites being considered is on the Riviere Grise about 20 kilometers from Port-au-Prince. A dam erected on this river would serve to irrigate more evenly the surrounding area as well as to produce power.

The second project under study would be located in the mountains south of the Artibonite River about 30 kilometers from Port-au-Prince. Numerous spring-fed streams arise in this area and flow over the edge of a small sloping plateau, dropping in cascades to the La Tombe and Canot Rivers. Three groups of springs reportedly could be combined to develop a head of 558 feet, the total cost of which is estimated at $150,000.

Foodstuffs and Allied Products

Dehydration Industry in Southern Rhodesia

Southern Rhodesia's first three dehydration factories are under construction, and regulations for the control of the dehydration industry in the colony have been issued by the Government.

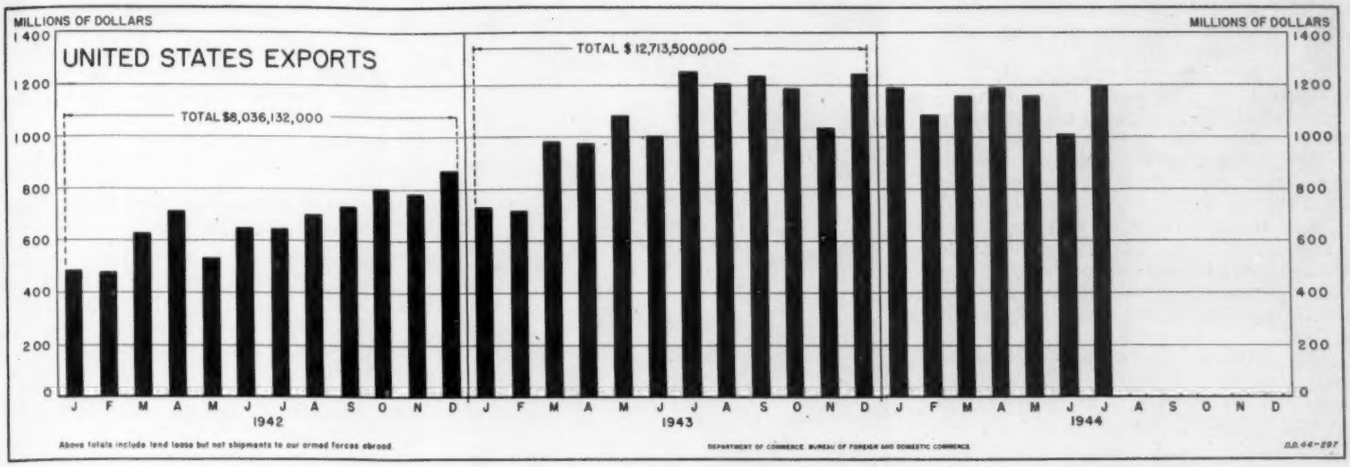
The Umtali factory was scheduled to be in operation by the end of September. The other Government factory will be located in the industrial area of Salisbury; it is expected to be in operation before the end of the year. In addition, Messrs. Liebigs, Ltd., are constructing a factory at their West Nicholson works, which should be working soon.

Each of the new factories will be able to handle 15 tons of raw produce a day, with a daily output of dehydrated products varying from 1 to 1½ tons.

Standard lines, such as onions, potatoes, and carrots, will be dehydrated at first, but the Dehydration Committee believes that there is every possibility of finding markets for such products as dehydrated meat and vegetable-soup powders, Cape gooseberries, tomatoes, and guavas.

The Regulations gazetted on August 9, 1944, empower the Minister of Agriculture to issue licenses for dehydration factories, to prescribe the standard and quality of dehydrated products, and to fix the prices at which raw produce for dehydration may be bought and at which the dehydrated produce may be sold, as well as the channels through which it may be sold.

The aim of the regulations, according to an official statement, is to control the industry efficiently and to comply with the standards laid down by the British



Food Ministry and the Admiralty for dehydrated products.

In the future, no one may manufacture or sell dehydrated produce in the colony without a license. The definition of "dehydrated produce" does not include produce dried solely by sun or shade, or those items not edible as human food.

To implement the Dehydration Committee's recommendations that the Government start at least two dehydration factories and operate them until the future of the industry is assured and farmers' cooperatives or private enterprise can take them over, the Government provided £120,000 under the Loan Votes this year—£40,000 for the cost of construction and plant, and £80,000 for working expenses and the cost of raw produce. The proceeds of the sale of the dehydrated produce will be credited to the fund.

The organizing of increased production has been undertaken by the Food Production Committees, and farmers have readily responded to the request for more onions. The authorities expect that farmers will do the same with regard to potatoes and carrots when fears of overproduction are removed and reasonable prices guaranteed.

The various farmer's cooperatives will arrange the distribution of these crops to the local markets and to the dehydration factories on a pool system giving a uniform pay-out to all participants, regardless of the market in which the crops are actually sold.

Coffee and Cocoa

Cocoa Production, Grenada, B. W. I.

Grenada's cocoa production in the crop year ending September 30, 1944, probably will amount to about 3,300 tons, about the same as last year's crop.

Exports of cocoa have been augmented by shipments carried over from last year.

Price Increase on Coffee, Colombia

On August 24, 1944, the National Federation of Coffee Growers of Colombia announced its fourth successive price increase within 3 months, for coffee purchased in the interior of Colombia.

This new increase will raise prices approximately 1 peso per carga of 125 kilograms. In the announcement accompanying the new schedule of prices given to the press, the Federation stated that the raise had been dictated to compensate growers for increased costs of production and to enable them to pay higher wages to their laborers.

Many exporters are of the opinion that this new increase will, at least for the present, drastically curtail their operations, and they have stated that it will be impossible to meet the new prices and operate at a profit.

Cocoa Situation, Cuba

Cuba's 1943 exports of cocoa products were valued at $810,100—by far the largest on record—most of which consisted of sweetened chocolate shipped to the United States. These large exports resulted in virtual exhaustion of cocoa-bean stocks, and high prices to growers.

Production of cocoa beans in 1943 is unofficially estimated at 5,300,000 pounds. This year's production will not be as high, probably about 4,500,000 pounds.

Consumption of cocoa beans in Cuba is believed to be about 5,000,000 pounds a year, about the same quantity that is produced. In 1943, domestic consumption dropped somewhat below the average, because the manufacturers exported large quantities. These exports also depleted cocoa stocks held over from the 1942 crop. Thus far in 1944 producers have been unable to fill all local requirements because of the small stock carryover at the first of the year and the small spring crop. Little cocoa is available at warehouses in Oriente at present.

Cuban consumers demand a sweet chocolate, preparation of which requires the addition of cocoa butter. In the production of cocoa butter for that purpose, it is necessary to press a limited quantity of cocoa, even though cocoa cake and powder do not have a ready market in Cuba. Little would be produced if it were not for this requirement for cocoa butter in making the sweet chocolate. This situation accounts for the normally small exports of cocoa cake and cocoa powder.

Cuba ordinarily derives little revenue from exportation of cocoa. In 1943, however, an exceptionally profitable market developed in the United States for chocolate. Exports of chocolate amounted to 1,200,000 kilograms. It should be noted however, that with a sugar content of approximately 50 percent, the equivalent quantity of cocoa exported was, of course, much less than these figures indicate.

Exports of cocoa in 1943 amounted to 118,054 kilograms. This was produced primarily as a byproduct in obtaining the cocoa butter for making sweet chocolate.

Indications are that 1944 exports will not be large, owing to the depletion of cocoa stocks.

Cocoa products, consisting principally of chocolate and cocoa, imported in 1943 were valued at $8,406.

Since Cuba normally is not a cocoa-exporting country and its high tariff discourages imports, prices of cocoa tend always to be somewhat above the world price. During 1943, the differential became very great. Between April and May of that year, the price of cocoa beans at Habana more than doubled, rising from $9.77 to a peak of $21.89 per 100 Spanish pounds (101.43 avoirdupois pounds).

Prices have remained at a high level since early 1943, recent quotations being $23.05. The high purchasing power in Cuba, and the short supply of cocoa now available support these prices, believed to be the highest in any producing country of the world, and substantially higher than prices in the United States, which is supplied wholly by imports.

Cuban cocoa production is expected to remain relatively stable, varying between 4,000,000 and 6,000,000 pounds per year. Wartime expansion has consisted only of better care and more thorough harvesting of existing plantings. Although physical conditions are such that an increase in planting would be feasible, there appears to be little interest in Cuba in establishing an export industry in cocoa beans. Cuba is not a low-cost area for cocoa production, and the only apparent way in which the country can maintain the industry is by excluding foreign competition through a high duty rate.

Dairy Products

Production of Milk and Milk Products, Southern Rhodesia

The quantity of fresh milk sold in Southern Rhodesia reached a record fig-

ure of 3,639,064 gallons in 1943—an increase of about 12 percent, compared with 3,146,797 gallons in 1942.

Butterfat sold by farmers in 1943 amounted to 1,009,604 pounds, an increase of about 18 percent over the 851,952 pounds sold in 1942.

The production of butter by creameries and on farms increased from 1,335,602 pounds in 1942 to 1,439,642 pounds in 1943, and, of this, creamery butter rose from 1,149,271 pounds in 1942 to 1,315,407 pounds in 1943. Farm butter on the other hand decreased from 186,331 pounds in 1942 to 123,954 pounds in 1943.

The amount of cheese produced by factories and farm dairies rose 9 percent, from 496,252 pounds in 1942 to 542,948 pounds in 1943.

Fish and Products

Tuna Fishing, British Columbia, Canada

An innovation in the British Columbia fishing industry is reported to have started during the week of August 7, 1944, when 12 to 14 pilchard seiners went fishing for tuna in international waters off the mouth of the Columbia River.

Although most Canadians have had little experience in this type of fishing, which is carried out by hook and line, baited with feathers and spears, they have been meeting with moderate success.

A catch, estimated at 46 tons of Albacore tuna, worth $16,445, was landed, 40 tons of which were landed at Victoria where it will be frozen and shipped to the United States for canning. The remaining 6 tons were landed at Vancouver.

Prevailing prices for tuna in the United States are higher than the Canadian ceiling. The American price is reported to be $325 per ton to the Canadian fishermen which, with the benefit of the exchange rate, amounts to $357 a ton. A small amount of the tuna was offered to the Vancouver public at a reported price of 30 cents a pound.

It is reported that pilchards are running much better since the first week in August, and the British Columbia pilchard seiners probably will not return to the tuna grounds. British Columbia trollers also are reported to be tuna fishing and it is expected that they will continue as late as October.

Brazil's Fishing Industry

The Sao Paulo (Brazil) fishing industry has more than doubled its catch in the past year. The average catch of fish formerly amounted to about 3,000,000 kilograms a year, whereas in the period July 1, 1943, to June 30, 1944, production reached 8,916,384 kilograms.

On April 15, 1943, the Brazilian fishing industry came under the control of the Federal Government, and the Comissão Executiva da Pesca (C. E. P.) was set up with central offices in Rio de Janeiro and regional offices in each State of the country. The Commission has full control over fishing activities and the distribution of the fish.

In one year the C. E. P. has increased production, as mentioned above, and has lowered the selling price of fish by 50

centavos per kilogram. This latter accomplishment is outstanding, in view of increasing prices for other food products.

Brazilian fishermen now work for and are paid by the Government. They have an incentive to increase production because everything is purchased directly by the C. E. P. The entire fishing industry is gradually becoming Government owned, but as proper refrigeration, cleaning, storage, and retail outlet facilities are not available, contracts have been made with private interests in accordance with the possibilities in any one territory. In Sao Paulo, for example, a private company, Mepesca, was formed in 1941 and is now working under a service contract with the Government.

Mepesca has a chain of 25 retail fish stores functioning in the city of Sao Paulo, and 3 more are under construction. There are only 4 or 5 independent fish marts in the city.

Government capital is now financing fishermen to some extent, and construction of elaborate installations at receiving terminals such as Santos, Cananea, and Ubatuba, in the State of Sao Paulo, is under way.

There are about 120 boats in the fishing fleet, with a capacity of 12 to 14 tons each. The fleet is nearly double the size of the one that existed prior to April 1943.

Fruits

Spain's 1944 Olive Crop

Olive producers and picklers in Spain are of the opinion that the present crop of queen olives will be less than that of last year, but that the manzanilla olive crop will be larger. Estimates indicate that from 25,000 to 30,000 hogshead of queen olives will be produced during 1944, about half as much as last year, and that from 30,000 to 35,000 hogshead of manzanilla olives will be marketed, representing an increase of from 5,000 to 10,000 hogshead over 1943.

It is estimated that about 8 000 hogshead of queen olives are in stock, of which 7,000 hogshead have been contracted for and are awaiting shipment, as well as some 7,500 hogshead of manzanilla olives, of which 4,500 have been contracted for and are likewise awaiting shipment.

Grain and Products

Plans Made to Increase Rice Production in Brazil

Rice production in 1944 in Sao Paulo, Brazil, is officially estimated at 6,000,000 bags. This is less than the quantity required to meet local consumption, and plans are being made to import rice from Rio Grande do Sul. In the past, the State of Sao Paulo received about 1,000,000 bags of rice from the State of Goiaz, and from 800,000 to 1,000,000 bags from Minas Gerais. This year rice from these sources has been ordered shipped directly to the Rio de Janeiro market.

Rice growers in Brazil consider the Great Britain-Brazilian agreement price satisfactory and are planning to increase production. It is reported that growers in the irrigated section probably will increase their production from 750,000 to 1 500,000 bags, and growers in other sections of the State probably will increase their acreage, so the 1945 production should amount to at least 12,000,000 bags in the State of Sao Paulo, 3,000,000 bags in the State of Goiaz, and 2,000,000 bags in Minas Gerais.

Rice Production in Egypt

The area in Egypt planted to rice for the 1944 crop totaled 623,400 acres, according to an unofficial Government and trade estimate. In the preceding year the area was 668,000 acres.

Despite the reduction in acreage planted this year as compared with last year, growing conditions have been so favorable that production is estimated at 708,750 metric tons of paddy rice, as against 685,125 tons in the 1943–44 season.

Local consumption of rice in Egypt during 1944–45 will in all probability be about the same as last year, which was 550,000 metric tons.

During the second quarter of 1944 the rice market was steady, but holders of bleached and glazed rice were selling their rice in small quantities and at 10 percent higher than tariff prices, anticipating better prices before the appearance of the new crop which will be marketed in October 1944. There was, however, no scarcity of rice on the market and all mills were in operation.

Large 1944 Grain Harvest, U. S. S. R.

As of July 25, 1944, the Soviet Union had harvested two and one-half times as much grain as by the corresponding date in 1943, says the foreign press. The area harvested as of the above date in 1944 totaled 10,800,000 hectares (1 hectare=2.471 acres).

Meats and Products

Chile's Meat-Freezing Industry

Meat freezing ranks as the second most important industry in the Province of

Magallanes, Chile, following that of sheep farming.

The mutton-freezing industry of southern Chile dates back to 1895, when the Chilean sailing vessel *Oneira* was dismantled and supplied with freezing equipment. It functioned during the years 1895 to 1899, freezing a total of 70,000 sheep which were shipped to London. The enterprise was not successful, owing partly to low prices paid at that time.

In 1905 a freezer was established at Rio Seco, in the vicinity of Punta Arenas; this was followed by others at Puerto Sara, Puerto Bories, Tres Puentes, and Puerto Natales. These establishments have contributed greatly to the progress of the Province.

The five freezers in the Province of Magallanes buy sheep on the hoof from the farmers, transport them to the freezers, slaughter, freeze, and ship them to the north of Chile or to foreign countries.

All the freezers have facilities to slaughter approximately 5,000 sheep each working day, with the exception of Tres Puentes which can kill about 2,500 animals a day.

The number of animals slaughtered and carcasses frozen at the five freezers in the Province during the years 1937 to 1944 are as follows:

Year (season ended May 17)	Number of animals slaughtered	Number of frozen carcasses
1937	1,151,725	706,601
1938	927,178	647,905
1939	1,047,524	820,493
1940	968,306	846,379
1941	793,288	584,339
1942	1,015,117	825,373
1943	1,052,024	782,098
1944	932,703	796,122

Prior to 1932 about 20,000 metric tons of frozen mutton were shipped to the British Isles annually, but subsequent to the Ottawa Conference in 1932, which limited imports of Chilean frozen mutton into the United Kingdom, meat exports were greatly reduced.

The British Ministry of Foods fixed a quota of 10,000 metric tons for 1944, but owing in part to the late arrival of the ships which transport the frozen mutton the quota has not been completed, since storage space at the freezers was exhausted.

From the foregoing table it will be seen that there was a decrease of 11.34 percent in the number of animals slaughtered during the season ended May 17, 1944, as compared with the preceding season. The slaughtering figures for the 1944 season were the lowest for the past 13 years, with the exception of 1938 and 1941.

Shipments of frozen mutton to central Chile totaled 4,936 tons, compared with 4,724 tons in 1943, and were the highest in volume since 1935, whereas a decline of 10.23 percent was registered in exports to Great Britain, compared with 1943.

Cattle Raising in Colombia

The Department of Bolivar is the most important cattle-raising area of Colombia. In 1943 the Department had approximately 2,200,000 head of cattle, or about one-fifth of the total number of cattle in the country.

There were about 750,000 head of cattle in the Department (State) of Bolivar at the beginning of the 20th century. The following table shows official estimates of the number of cattle in Bolivar in the years 1937 to 1943, inclusive:

Year	Number
1937	1,644,845
1938	1,723,304
1939	1,805,506
1940	1,891,628
1941	1,981,859
1942	2,092,631
1943	2,187,600

Source: Official Colombian Government statistics.

Ranchers in Bolivar place emphasis upon the production of beef cattle. Practically no effort has been made to develop dairy cattle, as there is little demand for milk products in this area. Bolivar is not a thickly populated area and there are no refrigerated transportation facilities for milk.

Local practices in cattle raising are primitive. Land is cleared periodically by hand labor, and too frequently vegetation is burned off to reduce these costs. No special food, not even hay or silage, is fed to the cattle. The use of salt as a cattle food has been introduced only recently.

Bolivar exports about 19,000 to 20,000 steers to the Panama Canal Zone annually. No other exportations of importance are being made now.

The more important interior markets are the Departments of Antioquia, Santander del Sur, and Cundinamarca. In Antioquia, Bolivar cattle are the principal source of supply. About 125,000 Bolivar cattle were shipped to all interior markets (and the nearby Atlantico) in 1943. In the same year about 70,000 head, mostly old cows, were slaughtered for consumption in Bolivar.

Total slaughter of cattle in Colombia for the 6-year period 1938–43 is shown in the following table.

Department	Number of cattle slaughtered
Antioquia	847,908
Atlantico	254,740
Bolivar	379,488
Cundinamarca	903,407
Santander	535,966
Tolima	536,946
Total	3,458,455

During the 6-year period 1938–43, Bolivar cattle accounted for 36 percent of the cattle slaughtered in Antioquia; 16 percent in Cundinamarca; 8 percent in Atlantico; 36 percent in Stantander, and 4 percent in Tolima.

Statistics concerning the movement of Bolivar cattle to other Departments in Colombia are unreliable, although they become more accurate each year, as greater compliance with the laws requiring inoculation of all cattle moved is obtained.

It is estimated that the relative distribution of Bolivar cattle marketed during the 6-year period 1938–43 was as follows: To Antioquia, 26 percent; Santander del Sur, 17 percent; Cundinamarca, 3 percent; Atlantico, 2 percent; Tolima, 16 percent (most of the cattle shipped to Tolima are destined for Caldas and Cundinamarca); other departments 2 percent; and slaughtered in Bolivar 34 percent.

A study of meat-consumption figures for Colombia as a whole indicates that per capita consumption is low. The following table shows the consumption of cattle in certain Departments of Colombia:

Department	1939	1941	1943
	Number	Number	Number
Antioquia	140,296	141,121	146,000
Atlantico	36,405	41,565	49,000
Bolivar	59,212	59,425	70,000
Cundinamarca	139,169	149,157	168,500
Santander	87,331	85,999	93,500
Tolima	85,858	89,659	93,500
Total	548,271	566,926	620,500

Cattlemen of Bolivar are reported to expect a drop in prices and exports at the end of the war. Other post-war expectations include the use of more machinery; improvements in transportation facilities; and a continually expanding market with, however, increased competition from interior ranchers; a rationalization of the local industry as the ranchers learn better methods; and a change from a ranch to a farm economy in areas of Bolivar where land values have already made cattle raising unprofitable.

Cattle Situation, Southern Rhodesia

The number of cattle owned by Europeans in Southern Rhodesia increased by 5 percent in 1943, according to statistics recently issued. European-owned cattle numbered 918,538 head in 1943, as compared with 879,144 head in 1942.

The proportion of purebred and grade stock dropped from 53 percent of all cattle in 1942 to 50 percent in 1943. This decrease was attributed to a decline in the number of grade cattle, from 456,782 head in 1942 to 445,538 head in 1943.

The position regarding purebred cattle improved somewhat during the year, the increase being 14.9 percent, from 12,700 in 1942 to 14,596 in 1943.

In order of numerical importance the most popular breeds of purebred cattle retained the same position as in the preceding year: Afrikander, 4,906; Hereford, 2,256; Friesland, 2,179; Aberdeen Angus, 1,878; and Sussex, 1,369.

Total losses from malnutrition, disease, and other causes, amounted to 46,818 head, or 5.1 percent of all cattle, compared with 54,575 head in 1942.

In 1943 there were 171,722 cattle slaughtered, a decrease of 7 percent as compared with 185,041 in 1942.

Spices and Related Products

Nutmeg Production, Grenada, B. W. I.

Production of nutmegs in Grenada, British West Indies, for the crop year ending September 30, 1944, is unofficially estimated at 1,800 tons, which is about 200 tons less than last year's harvest.

Prospects for next year's crop of nutmegs are reported to be good. Rainfall has been abundant, and, if it continues, the crop to be harvested in August and September 1945, should be heavy.

Sugars and Products

Honey Production, French Morocco

A recent estimate of honey production in French Morocco indicated an annual output of 12,000,000 kilograms. This amount probably could be increased as the Protectorate is suited to beekeeping, both from a climatic and horticultural point of view.

Prior to the war, Morocco imported some honey. Native honey of inferior quality, known as pressed honey and obtained by crushing the honeycomb, was exported to Algeria and Europe for industrial purposes.

Beekeeping is widespread in Morocco and has increased in recent years. It is reported that in 1937 there were more than 2,000 beekeepers, with from 20 to 30 hives each, in the district of Khemisset alone. Communal hives are reported to exist in the Atlas regions, and in some mountain districts bees are kept in the walls of houses.

The hives are of primitive design, made of cork or reeds coated with clay, and even with pieces of wild fennel.

The Cherifian Syndicate of Apiculture is endeavoring to develop beekeeping in Morocco, and has made available to interested parties information on modern hives and the proper care of bees.

Sugar and Molasses: Production, Haiti

The outstanding development of Haiti's export trade in the second quarter of 1944 was the large shipments of sugar to the British Empire.

The Haitian-American Sugar Co. (Hasco) is the only important producer and practically the sole exporter of sugar. The factory grinds several hundred thousand tons of cane each year, producing raw sugar and molasses for export. Small amounts—never more than 10 percent of total production—are refined. A special grade of semiraw sugar known as "populaire" is manufactured for local consumption.

Latest production statistics are compared with those of a similar period of 1943 in the following table:

Sugar and Molasses Production in Haiti

[Figures as July 24, 1944]

Item	1944	1943 [1]
Sugar:	*Short ton*	*Short ton*
Total prodution	62,629	48,066
Domestic consumption:		
Populaire	13,025	8,682
Refined	2,761	2,083
For export:		
Raw	46,843	37,331
Molasses:	*Gallons*	*Gallons*
Total production	3,073,854	[2] 2,392,526

[1] Grinding ceased in May 1943.
[2] Of this amount 894,306 gallons were dumped into the sea for lack of storage space.

In the past, Hasco distilled rum and alcohol from its molasses, but these byproducts have not been produced in recent years.

Furs

Canadian Foreign Trade

During the first 6 months of 1944, Canada exported furs (principally raw) valued at $16,895,000 (Canadian currency), according to a Dominion publication, while imports of furs during the same period were valued at $5,668,000.

Glass and Products

Imports Into La Guaira, Venezuela

Flat glass imported into the port of La Guaira, Venezuela, in the period January to August 1944 totaled 914 metric tons compared with 1,245 tons imported in the full year of 1943.

Exports From Chile

Glass shipped from Chile in the first 6 months of 1944 amounted to 583 metric tons.

Iron and Steel

Exports From Chile

Among the iron and steel products shipped from Chile in the first half of 1944 were 2,654 metric tons of tin plate, 6,494 tons of nail wire, 1,878 tons of wrought-iron pipes and tubes, and 2,864 tons of cast-iron pipes and tubes.

Iron-Ore Production, South Africa

Hematite iron ore produced in the Union of South Africa, which totaled 827,978 short tons valued at £439,166 in 1941, decreased to 731,407 tons with a value of £299,936 in 1942 and 730,828 tons valued at £277,394 in 1943.

Imports, La Guaira, Venezuela

Imports into the port of La Guaira, Venezuela, under the classification "steel and iron bars, reinforcing, etc." totaled 20,118 metric tons in the first 7 months of 1944, compared with 9,540 tons in the full fear of 1943. Other iron and steel imports in the period January to August 1944, with figures for January to December 1943 in parentheses, included 663 metric tons of steel sheets (1,476 tons), 18 tons of steel rods (1,122 tons), 802 tons of construction steel (1,650 tons) and 639 tons of wire (1,588 tons).

Leather and Related Products

Leather and Manufactures

Canadian Exports

Exports of leather from Canada during the 6-month period January to June 1944 were valued at $3,293,000 (Canadian currency), according to a Dominion publication.

Paraguayan Leather Industry

There has been no substantial change in Paraguay's leather industry during the past 10 or 12 years. Sales of the Paraguayan leather industry are confined entirely to domestic consumers and it is believed to be highly improbable that the products of this industry will enter the international market at any time in the foreseeable future.

The prevalence of cattle tick, which leaves multiple scarlike flaws on the hide, is blamed for the substandard quality of Paraguayan skins, and domestic tanners says that these defects make it impossible for them to produce more than the few types of leathers needed in the domestic market.

Hides and Skins

Canadian Foreign Trade

Imports of raw hides into Canada during the first 6 months of 1944 are reported by a Dominion publication to have been valued at $2,494,000 (Canadian

currency) while exports were valued at $312,000.

EXPORTS FROM NEW ZEALAND

During June 1944, New Zealand exported 482,910 sheepskins without wool weighing 1,122,449 pounds.

URUGUAYAN PRODUCTION

Production of hides and skins in Uruguay during the month of July has been estimated at 110,503 cattle hides, 6,574 calfskins, and 34,729 sheepskins and lambskins.

Tanning Materials

BICHROMATES RECEIVED IN ARGENTINA

Argentine tanneries have recently received heavy shipments of bichromates from South Africa and can again resume more normal operations. All during 1943 there was an inadequate supply of chrome tanning materials in Argentina.

NEW TANNIN FACTORY, BRAZIL

The largest factory for the manufacture of tannin in South America was recently put into operation at Porto Murtinho, in southwestern Brazil. The new factory will use quebracho as the primary raw material.

Lumber and Products

PRODUCTION, BRITISH COLUMBIA, CANADA

The sawlog scale in British Columbia, Canada, in June amounted to 315,661,196 board feet, an increase of more than 47,000,000 feet over the preceding month. For the first 6 months of 1944, the total was 1,395,241,707, compared with 1,161,393,285 for the corresponding period in 1943.

The cut of poles and piling increased in June 1944 over June 1943, but for the 6-month period January to June 1944 showed a decrease. Cordwood registered a decrease in June, compared with June 1943, but the total for the first half of this year was substantially larger than for the corresponding period of 1943. The cut of railroad ties increased both for the month of June and for the first 6 months of 1944, compared with 1943.

FINNISH SAWMILL PRODUCTION

Although Finnish sawmill production has increased slowly each year since the heavy decline of 1940, it totaled only slightly more than 500,000 standards (1 standard=1,980 board feet) in 1943, states a European lumber journal. During the pre-war years 1929 to 1938, output averaged 1,100,000 standards annually.

Results of a survey of 70 mills, representing approximately 75 percent or Finland's sawmill output, show that the industry has been operating at a loss since 1941, it is stated.

TIMBER PRODUCTION, NEW ZEALAND

Although more than one-third of New Zealand's forest workers are now in the armed forces, timber production not only has been maintained but has increased, says a foreign lumber journal.

Boxes and crates have been supplied for exporting goods to the United Kingdom, the Middle East, India, and the Pacific theaters of war. The construction of military camps, hospitals, huts, and small ships has made heavy demands on New Zealand lumber supplies.

New Zealand mills have also furnished, in addition to sawn lumber, large quantities of round timber, principally larch and eucalyptus, for various military purposes.

PLYWOOD SITUATION, PANAMA

In pre-war years Panama imported Douglas fir and western hemlock plywood for a number of purposes, including paneling, furniture, doors, partitions, and in some cases for cement forms and molds. No plywood was imported in 1943, and it was reported late in August that there had not been any imports so far this year.

A post-war market for United States plywood is believed to exist, particularly in view of considerable activity in the construction of private homes and Government buildings. Although the bulk of the imports in the past have been of the softwood varieties, hardwood plywood may be used in some cases. Since plywood is not manufactured in Panama, the domestic demand is supplied entirely by imports.

POST-WAR MARKET FOR SWEDISH FOREST PRODUCTS EXPECTED

A ready market for Swedish forest products is expected during the first 2 post-war years, according to a report to the Government, by the Industrial Research Institute.

Approximately 55 percent of the annual pre-war output of 1,300,000 standards (1 standard=1,980 board feet) was exported. Although domestic consumption may increase slightly as a result of building requirements, stocks of sawn goods available for shipment are sufficient to provide the same quantities for export as before the war, it is stated.

FORESTRY REVENUE, SOUTH AFRICA

The revenue of the South Africa Division of Forestry exceeded expenditure for the first time in 1942–43, according to the Division's latest financial report. This result reflects, it is stated, the extent to which State planting of exotic softwoods during the past 30 years has aided South Africa's war effort by producing timber which cannot be imported at present, and emphasizes the importance of a large-scale afforestation program as a part of South Africa's post-war plans. Such a project is now under consideration by the Social and Economic Planning Council and by the Government.

The Forestry Division disposed of 22,365,000 cubic feet of timber (in the log) in 1943, compared with 17,188,000 in 1942 and 700,000 in 1923. Almost all the timber sold in 1923 consisted of domestic hardwoods, but only 570,000 cubic feet of the more than 22,000,000 sold in 1943 was indigenous, the remainder being almost entirely eucalyptus and conifers.

Machinery, Other Than Electrical

CANADIAN FOREIGN TRADE

The value of farm machinery imported by Canada during June 1944 totaled $3,868,000, whereas the June 1943 figure was only $1,602,000. All other machinery imported during June 1944 had a value of $6,934,000, a sharp decline from $13,115,000 in the corresponding month of 1943, states an official publication of the Dominion.

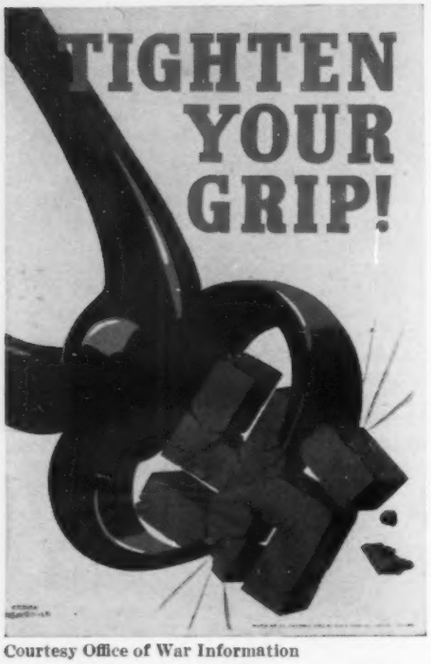
Canadian exports of farm machinery totaled $1,137,000 in June 1944 and $1,216,000 in June 1943. The value of exports of machinery other than agricultural was $1,914,000 and $596,000, respectively.

Medicinals

SHARK-LIVER-OIL PRODUCTION, INDIA

The manufacture of shark-liver oil has been established in India as a direct result of the present war. Being rich in vitamin A, shark-liver oil is in great demand as a substitute for cod-liver oil, which was imported from Norway until that country was invaded by the Nazis. Fostered by research and training efforts of the Department of Industries of Bombay Province, the industry has grown from virtually nil to an annual production of more than 68,000 pounds of oil. The beginning was made in Bombay, but fishermen at several points along the west coast have now entered the industry. Furthermore, an increasing number of druggists are buying the shark-liver oil.

Because the shark-liver industry was virtually unsupervised until recently, the quality of oil was inferior as a result of faulty extracting and refining methods. Therefore the Department of Industries decided to standardize the product. It is reported that the Department proposes to buy regularly, at good prices, shark liver or shark-liver oil in crude form from fishermen who call at any one of



Courtesy Office of War Information

about six Government fish-curing yards along the west coast. The oil extracted at these yards will be sent to Bombay for refining and bottling. The Department's new plan calls for the bottling and marketing of between 1,000 and 2,000 pounds of oil monthly, in 1-pound bottles, to be sold at moderate prices.

Shark products may be sold to private concerns, but the Government will make frequent tests of the oil sold through such channels in order to maintain the highest standards.

Nonferrous Metals

Gold Production, Ontario, Canada

The volume of gold production in Ontario, Canada in 1944 is expected to be the lowest since 1930.

In the first 6 months of 1944 Ontario gold production had a value of $33,387,253. The 3,478,290 tons of ore treated yielded 865,724 ounces of gold and 145,330 ounces of silver, compared with 4,293,787 tons milled in the first 6 months of the preceding year, yielding 1,106,075 ounces of gold and 159,909 ounces of silver, with a value of $42,646,953.

A shift in interest from the search for strategic minerals to gold mining is reflected in the tremendous activity in prospecting which began last fall and shows no signs of slackening. Mining claims recorded in January to June 1944 totaled 5,570 compared with 1,799 in the first 6 months of 1943. Most of the larger established mining companies are participating in current exploration as well as prospectors.

Under the policy of the Ontario government to encourage mining, cheaper power will be offered, effective January 1, 1945, to mines served by the government-owned Hydroelectric Power Commission, and mines supplied by another company have been promised comparable rates. Recognition is also being given to the question of tax relief.

Haiti's Bauxite Resources

Haiti's principal mineral resource, bauxite, is found in the Republic's red, friable, claylike soil that is produced from the weathering of limestone. Tests have revealed that the soil contains between 30 and 35 percent alumina, between 21 and 25 percent iron, and in the lower-grade ore a silica content of from 1 to 10 percent.

The best possibilities for commercial development of the mineral appear to be in the southern peninsula. Only in the St. Croix region, which is believed to contain at least 10,000,000 tons of grade-B ore, are large-scale operations believed to be feasible at this time.

New Copper-Refining Plant, Istanbul, Turkey

Operations are to begin soon, says an August report, at a recently completed plant at Istanbul, Turkey, where plans call for the refining of Ergani copper and the drawing of copper wire.

Nonmetallic Minerals

Cement Situation, Chile

Chile's cement requirements are expected to increase from approximately 565,000 tons in 1944 to nearly 1,000,000 tons in 1950. In the belief that the only means of providing sufficient cement is to increase domestic production, the establishment of additional plants has been advocated, one at Polpaico and another farther south. Present output of the El Melon factory, reported to be about 365,000 tons a year, is expected to be stepped up another 120,000 tons in 1945. The new Juan Soldado plant in the north, which is scheduled to be in operation in 1945, will have an ultimate production capacity of 200,000 tons annually.

Cement exports from Chile in the first half of 1944 totaled 23,825 tons.

Cement Production, Turkey

Cement factories reportedly worked at full capacity in the second quarter of 1944, and production for the year was expected to reach 300,000 tons compared with 200,000 tons in 1943.

Among new Turkish factories to be established shortly are a third fireproof-brick and cement plant at Karabuk and a brick and tile factory at Ankara.

Asbestos Production, South Africa

Asbestos production in the Union of South Africa increased from 23,024 short tons valued at £512,919 in 1941 to 32,052 tons (£755,046) in 1942 and 38,145 tons (£913,759) in 1943.

Cement Imports, La Guaira, Venezuela

Imports of cement into the port of La Guaira, Venezuela, increased to 54,441 metric tons in the first 7 months of 1944 from the 19,182 tons imported in the full year of 1943.

Asbestos-cement products imported in the January to August 1944 period totaled 383 tons. In the 12 months of 1943, 1,119 tons were received.

Oils and Oilseeds

Castor-Bean Situation, Bahia, Brazil

Production of castor beans in Bahia, Brazil for the year 1944 is estimated at 700,000 bags of 60 kilograms each, or about 10 percent less than in 1943. The expected decrease is attributed to cold weather. Castor beans exported during the first 6 months of 1944 amounted to 265,430 bags valued at 20,742,572 cruzeiros. Exports during the corresponding period of the preceding year were only slightly higher.

Four small oil factories operated in the State of Bahia during the first half of 1944, producing 218 metric tons of castor oil and 381 tons of castor-bean residue, compared with 320 tons of castor oil and 493 tons of castor-bean residue during the corresponding period of 1943. Total production of castor oil for the entire year is expected to be smaller than in 1943 because of the prevailing high price of castor beans and the high cost of empty drums.

During the first half of the current year 10,685 bags of castor beans were used by the four operating factories compared with 14,916 bags used in the first half of 1943. Stocks on hand on August 15, 1944, were estimated at 130,000 bags.

Castor oil consumed in the State of Bahia during this period amounted to more than 100 tons. There were no exports of this product.

Chile to Receive Oil From Spain

Chile has concluded an agreement with Spain for the purchase of about 1,000,000 liters of olive oil, according to recent press reports from Valparaiso. The value of the purchase is approximately 20,000,000 pesos ($640,000). The oil will be marketed loose or in containers of various sizes.

Vegetable-Oil Extraction, Nicaragua

Vegetable oils are replacing to some extent lard for cooking purposes in Nicaragua because of wartime shipping difficulties that prevent the importation of sufficient quantities of the latter. It is believed that the use of oils will be continued for some purposes even when larger supplies of lard are again available.

Although Nicaragua is a large producer of oil-bearing seeds, formerly only relatively small amounts of vegetable oils were processed and refined. Extraction equipment is said to be sufficient to provide sufficient quantities for the country's requirements and additional amounts

Wartime Ingenuity
Is Already Shaping
Peacetime Miracles

could be supplied if warranted by an increase in demand.

The country has two oil-extraction plants in Managua. One, of Italian manufacture, is powered by a German-made Diesel motor. The entire plant equipment has been in operation for 8 years, principally in the production of cocoa butter, sesame oil, and castor oil. Its production of sesame cooking oil is reported to be 210 gallons per 8-hour day. Castor oil produced is sufficient to meet domestic demands. Before the war, this product was made for export to neighboring countries.

The other plant is equipped with a collection of makeshift machinery and produces a less-popular brand of oil. This plant also processes castor beans for oil used by soap manufacturers.

Imports of vegetable oils increased from 28,835 pounds in 1941 to 58,869 pounds in 1943.

Crop Estimates, Tanganyika

Production of copra in Tanganyika in 1944 is estimated at 9,350 long tons. Estimates on other oil-bearing crops are as follows: Cottonseed, 8,420 tons; peanuts, 5,045 tons; sesame seed, 4,005 tons; castor seed, 100 tons.

Venezuelan Imports From Argentina

During the first 6 months of 1944, Venezuela imported from Argentina 112 metric tons of edible oils and 29 tons of linseed oil.

Paper and Related Products

Canadian Exports

During the first 6 months of 1944, Canada exported pulpwood valued at $8,017,000 (Canadian currency), wood pulp valued at $48,087,000, and newsprint valued at $77,352,000, according to a Dominion publication.

A large part of the pulpwood for Canada's pulp and paper industry comes from the Borealis forest which encompasses approximately 1,700,000 square miles and provides such species as white and black spruce, balsam fir, jack pine, tamarack, white birch, aspen, and balsam poplar.

Petroleum and Products

Situation, Belgian Congo

While there is no effective system of regulating consumption of petroleum products in the Belgian Congo, efforts are being made there to conserve supplies. The situation in the interior is said to be good, with sufficient quantities of oil products to meet demands.

Imports Into La Guaira, Venezuela

During the first 7 months of 1944, 1,538 metric tons of lubricating oil were discharged at La Guaira, Venezuela, the country's chief port of entry. This amount was less than half the total quantity discharged there in the entire 1943 period. Less than 800 metric tons of aviation gasoline were imported into La Guiara during the first 7 months of the current year.

Railway Equipment

Rolling-Stock Construction, Switzerland

More than 100 coaches and cars were built for the Federal Railways by the Schlieren Works of Switzerland in 1943, states the European press. Among the rolling stock delivered were 9 light-steel, 8-wheel, second-class carriages; 6 light-steel, 8-wheel, third-class carriages; and 45 open cars for the conveyance of ballast and sand.

Scientific and Professional Equipment

Canadian Imports

Scientific equipment imported by Canada in the first 6 months of 1944 was valued at $4,361,000, according to an official Dominion publication. During the last half of 1943, similar imports were valued at $5,349,000.

Special Products

Canadian Imports of Printed Matter

Canada imported books and printed matter value at $8,711,000 during the first half of 1944, according to official Dominion statistics. In the last 6 months of 1943, similar imports were valued at $9,006,000.

Market for Precision Gages in Chile

The market in Chile for precision gages is very small. Chilean importers and dealers estimate that the demand for gages of all types, including dimensional, snap, and plug, for use in machine shops and other shops of a similar nature, will amount to approximately $5,000 annually for the first 2 or 3 years after the war.

More than one-half the precision gages imported by Chile in 1939 originated in Germany; in 1941, the United States supplied about 99 percent of the market. Most gages used in Chile must be calibrated in the metric system and these have been difficult to obtain in the United States during the war years. Some have been received from Sweden, and it is reported that many orders are going to that country.

Textiles and Related Products

Panamanian Imports

The value of textile imports into the Republic of Panama dropped sharply in the first half of 1944, amounting to only $2,884,900, or 43.7 percent less than the $5,123,500 at which similar imports were valued in the corresponding months of 1943.

Cotton and Products

Canadian Imports

Imports of cotton and linters into Canada during the first 6 months of 1944 were valued at $19,357,000 (Canadian currency), according to a Dominion publication.

Cotton-yarn imports during the same period were valued at $4,133,000 while the value of cotton-fabric imports was placed at $18,614,000.

Cotton-Acreage Restriction Modified, Egypt

The law restricting cotton acreage in Egypt recently has been modified to some extent and the area under cotton cultivation is expected to be increased in the 1944–45 season to 934,200 acres as compared with 885,361 acres devoted to that crop in the 1943–44 season.

Haitian Cotton Crop

Cotton exports from Haiti during the second quarter of 1944 showed an increase of almost 270 percent over those in the corresponding period of 1943, totaling 1,225,367 kilograms in the April–June period of 1944 as compared with 331,484 kilograms in the corresponding months of 1943. However, Haitian cotton can not be considered as having a bright future as a major export crop. Grading is still poor with long and short fibers mixed together, while boll-weevil infestation has steadily cut the size of the crop until at present it is only about one-third as large as it was in the peak year of 1934–35 when 6,000,000 kilograms were produced.

As a basis for a small domestic industry, there are possibilities that Haitian

Courtesy Office of War Information

cotton may prove of value. Haiti at present imports all its cloth requirements but should a small cotton-textile plant be established there, domestically grown cotton would have a new importance.

COTTON ACREAGE, NICARAGUA

Cotton plantings in Nacaragua this year cover slightly more than 4,250 acres as compared with 3,273 acres sown in 1943. Disappointment in the sesame crop last year and the prospects for a strong domestic market for cotton as a result of the establishment of the new textile mill in Managua are thought to have been responsible for the sowing of the additional acreage in 1944.

EXPORTS FROM U. K.

Exports of cotton yarn from the United Kingdom amounted to 5,314,000 pounds in the second quarter of 1944, an increase of approximately 13 percent over shipments totaling 4,708,000 pounds in the first quarter.

Trade in cotton piece goods was strong during the second quarter of 1944, 118,376,000 square yards having been shipped as compared with 96,497,000 square yards in the first quarter and 108,413,000 square yards in the second quarter of 1943.

Synthetic Fibers and Products

NEW RAYON PLANT, AUSTRALIA

Rutherford, New South Wales, a small inland town about 24 miles northwest of Newcastle, is to be the location for the first combined rayon weaving, dyeing, and finishing production unit to be established in Australia, according to local press reports.

The building in which the new mill is to be housed is owned by the Commonwealth Government. Machinery will be of United States origin and technical assistance will be provided by a United States rayon-weaving mill.

Before the war, Australia imported approximately 60,000,000 yards of rayon fabrics annually, a major part of which was from Japan. It is expected that the new plant will be able to supply practically all of the country's requirements for corset cloth and underwear fabrics as well as produce a wide range of other rayon textiles.

SPANISH RAYON INDUSTRY

The Spanish rayon industry, almost wholly dependent on foreign sources for raw materials, has been experiencing serious difficulties lately as a result of the decline in shipments of cellulose from northern Europe. In 1943, Spanish mills produced 6,600 tons of rayon from approximately 13,000 tons of cellulose, all of which was imported from Sweden.

EXPORTS FROM U. K.

Shipments of rayon yarn from the United Kingdom fell slightly during the second quarter of 1944, amounting to 3,912,000 pounds compared with first quarter exports of 4,311,000 pounds.

Rayon piece goods exports, on the other hand, registered an increase of approximately 9 percent during the second quarter, shipments in that period amounting to 22,090,000 square yards, while first-quarter shipments totaled 20,226,000 square yards.

Wool and Products

SHEEPSKIN EXPORTS, NEW ZEALAND

During June 1944, New Zealand exported 52,855 sheepskins with wool weighing 402,824 pounds.

Miscellaneous Fibers

SISAL EXPORTS FROM HAITI

Exports of sisal from Haiti in the 3-month period April to June 1944 amounted to only 1,550,084 kilograms, or almost 40 percent less than similar exports during the corresponding months of 1943.

Toiletries

HENNA PRODUCTION, EGYPT

Exports of Egyptian henna have fluctuated during the past 7 years, those of the first 5 months of 1944 being larger than total exports of this commodity during the entire year 1943. Until 1940, France was the principal buyer of Egyptian henna and the United States was second. Exports to France ceased in 1940 and to the United States in 1942. Turkey is now taking the entire output.

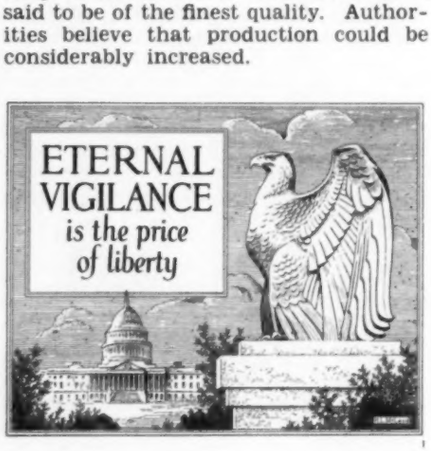
Most of the henna produced in Egypt is grown in Sharquia Province in Lower Egypt; however, a small part is cultivated in Upper Egypt. In 1938–39, 1,350,000 kilograms were produced in 1939–40, 1,440,000 kilograms, and in 1942–43, only 720,000 kilograms.

The area under cultivation during the 1943–44 season is expected to produce a considerably smaller yield of henna than in 1942–43. This reduction is reportedly due to the decreased demand from abroad and the greater profit from plant food crops. Also, the Egyptian Government supplies fertilizers and other aids to encourage the production of food.

Waxes

BEESWAX PRODUCTION, FRENCH MOROCCO

Annual production of beeswax in French Morocco is about 2,000 tons, according to a report of the Moroccan Society of Horticulture. This beeswax is said to be of the finest quality. Authorities believe that production could be considerably increased.



Late AIRGRAMS

(Continued from p. 15)

for construction of a factory with an estimated production of 3,000,000 yards of coarse cotton textiles. The concessionaires are now interested in obtaining machinery.

Plans for the establishment of a coconut-processing factory have evoked considerable local interest. The contract has been granted and plans are under way for production of desiccated coconut meat for confectionery purposes.

The food-buying program of the Foreign Economic Administration is expected to enter an active buying phase within the next few weeks, and the food-production program of the Coordinator of Inter-American Affairs is expected to take most of the first of these purchases for use as seed to begin its operations.

Martinique

(*From the U. S. Consulate, Fort de France*)

The return of the French West Indies to the United Nations fold, and the subsequent lifting of the blockade, have eased the food situation somewhat. Bread is no longer rationed, and the meat problem which was acute in July and August assumed brighter prospects in September. Practically no article on the local market is in free, or even moderately free, supply, however, and the black market continues to operate on all sides, despite official ceiling prices on almost everything.

Production of sugar, rum, and subsidiary products, as well as of bananas, has declined, because of lack of markets, insufficiency of fertilizer supply, and the unwillingness of labor to work for money which could not be readily converted into food or other essentials. Only about 6,000 acres are planted to sugarcane for the 1944–45 crop, as compared with a normal acreage of 50,000 acres. Banana plantations have been abandoned to a large extent, and substantial shipments are not expected to be resumed before 1946.

Cost-of-living and labor costs continue to rise in a never-ending cycle. Monetary circulation continues to expand. Local currency, with a fixed percentage of gold reserves, has been supplanted by a new currency issued in Algiers. The uncertain future of the franc has caused holders of such currency to exchange it for articles of permanent value, and real estate has been transferred at two or three times its true value.

As the sales possibilities have decreased, the purchasing power of the public has increased. On January 1, 1939, the circulation of the Bank of Martinique was 57,000,000 francs, or 228 francs per capita; this figure has steadily increased until at present it is in excess of 270,000,000 francs, or 1,080 francs per capita. While numerous decrees have been issued to place ceiling prices, no effective measures have been taken as yet to curb the increases in the cost of living in terms of pre-war conditions.

All dollar assets of every French citizen or subject, real or corporate, in the United States or in any other country, were requisitioned by a decree issued in Algiers on June 27, 1944, and promulgated in Martinique on July 20, 1944. Dollar credits, no matter how small, are to be delivered to the Exchange office in the United States for credit to the Exchange Stabilization Fund, established by an ordinance issued in Algiers on February 2, 1944, and will be paid for in francs in the territory affected. No further dollar exchange will be available to students to travel to other countries to study, or for their living expenses in such countries.

A shipment of 3,600 tires and tubes was recently received from Brazil for Martinique and Guadeloupe. This has eased the transportation problem considerably, though many cars and trucks are still laid up for lack of tires.

News by COUNTRIES

(Continued from p. 23)

stations of the city. Upon its completion the circular course of the new subway section will take it through 18 municipal districts containing about 2,000,000 inhabitants of the city.

The route of the new line, 12 miles in length and containing the equivalent of 27 miles of one-way tunnel, is as follows: Kursk Station, Tagan Square, Pavelets Station, Liusinov Street, October Street, Gorky Park for Culture and Rest, Crimea Square, Kiev Station, Red Presnia, Belorussia Station, Novosloboda Street, Botanical Gardens, Komsomol Square, and Kursk Station.

The new line is planned also to intersect the existing tunnels of the Moscow subway at 6 different points, thus creating 6 new transfer stations out of a total of 12 new stations to be added by the new section. It is expected, states this same source, that the direction and nature of passenger traffic along the older lines will change considerably and some of the central stations will find their traffic load considerably reduced.

The average distance between stations will be 1,600 meters, with a maximum of 2 kilometers and a minimum of 1 kilometer. Along the route of this run the tunnels of the fourth section will pass under the Moskva River eight times and twice under the canal.

According to present calculations more than 2,000,000 cubic feet of earth will have to be removed, some 500,000 tons of tubes placed, and 330,000 tons of concrete laid in connection with the building of the new tunnels. There will be employed on the project a total of 9 stationary and 16 mobile shields as well as 6 stationary and 18 mobile erectors (machinery for setting the parts of the tunnel structure).

At present the subway administration has installed building platforms along the first parts of the circle. Nine of the 18 shafts have been prepared for operation; these shafts are being driven horizontally in sections. On one portion of the line the first rings of the cast-iron tubes of the tunnels have been installed. So far the tunnels have been driven 1,400 running yards, and within the near future they will be used to carry out rock and bring in materials simultaneously with the operation of the shields and erectors.

All operations have been mechanized as far as possible. A system of controlled flow of earth excavated has been devised, coupled with a mechanized method for reinforcing the newly dug tunnels with metal and concrete. Each segment of the line will be constructed separately to allow for a better utilization of equipment, machines, and manpower.

Yugoslavia

Tariffs and Trade Controls

Coal from Germany Duty-free in "Croatia."—Mineral coal and brown coal from Germany have been made duty-free upon importation into "Croatia" during the period from April 1 through December 31, 1944, by a recent decree, says the European press of August 28.

Reverse Lend-Lease

(Continued from p. 4)

Many United States troops have been transported across the Atlantic in British ships, which included the world's two largest—the *Queen Elizabeth* and the *Queen Mary*—and a naval base has been operated in Great Britain for United States ships for a full 12 months without any exchange of cash. As early as the end of 1942, an estimated 3,000,000 tons of shipping space had been saved by using supplies furnished in Great Britain. All rail transportation to the French invasion ports was furnished by the British railways as Reverse Lend-Lease.

After the invasion of France was agreed upon, the entire output of Great Britain's sheet steel rolling industry for 3 months was used to waterproof Allied mechanized equipment. The work was done by 280 plants scattered from Scotland to Cornwall, the process having been perfected after an 18-month study which followed the big commando raid on Dieppe.

Comforts and Conveniences

Many of the little comforts so important to morale have been provided for our men by the British. Nearly 1,500,000 pairs of knitted woolen gloves, in addition to quantities of wool socks, had been furnished them by the end of 1943. It is expected that our fliers will receive as many as 43,000 electrically heated muffs in 1944. Although the items here named are rationed or very scarce in Great Britain, a steady supply of candy, soap, hair combs, safety pins, tennis balls, phonograph records and needles, football shoes, and table games have been kept in reserve for the use of Post Exchanges and Red Cross Canteens in case American supplies do not reach England on time. The British Government has paid householders for billeting 27,000 United States officers and men in one area alone. Hospitals situated in quiet countrysides have been equipped and manned to take care of wounded American soldiers. Mobile laundries, which are 10-ton trailers complete with boiler, pump, washwheel, wringer, and drier, are today being sent by Great Britain into France to wash sheets for our wounded.

By the end of 1943, one-fourth of all the footwear worn by Yanks in Great Britain was being repaired by British craftsmen. As many as 100 well-equipped leave centers, where our serv-

ice men and women may enjoy the finest facilities available in the country, have been set up for the American Red Cross; and clubhouses have been opened in England, Scotland, and Wales for the use of American merchant seamen. Guide books covering the most famous English cities, totaling 300,000 and costing approximately $4,000, have been given to American servicemen free of charge.

Plans for 1944 include installation of as many as 50 transmitters over which news and entertainment programs will be broadcast to American troops. They will be operated by American personnel, but their cost (estimated at $48,800 with a yearly maintenance and operation expense of $319,600) will be borne by the British Government. In many cases, theaters have been leased and legitimate stage plays have been presented, free of admission charges, to members of our armed forces.

Sharing Victory's Cost

Tremendous quantities of our own supplies, products of our factories and farms, have gone to our Allies by means of Lend-Lease, the total amount through June 30, 1944, being $28,270,000,000. But the United States has not come out of the "common pool" empty-handed—far from it, indeed! "The equivalent of 4,000,000 ships' tons of supplies and equipment has been supplied to United States forces in the United Kingdom during the months when every ton of shipping was vital," Lieutenant General John C. H. Lee, Deputy Theater Commander, European Theater of Operations, is quoted as having said in London on March 30, 1944. All our other Allies have shared with us in proportion to what they have. This unselfish sharing in a time of common necessity is symbolic of the resolute drive toward a better post-war world. Its strictly commercial effects are not yet fully discernible, not readily definable, but they are certain to appear in time.

Minerals in Egypt

Ilmenite (titanate of iron), garnet ilmenite, magnetite, zircon, and monazite are obtained in Egypt from black sand that is brought to the mouths of the Nile, near Rosetta and Damietta, from the hills of Ethiopia. The minerals are extracted by plants at Rosetta and at Alexandria, and small-scale operations involve the use of three magnetic separators and three small wet concentrating tables.

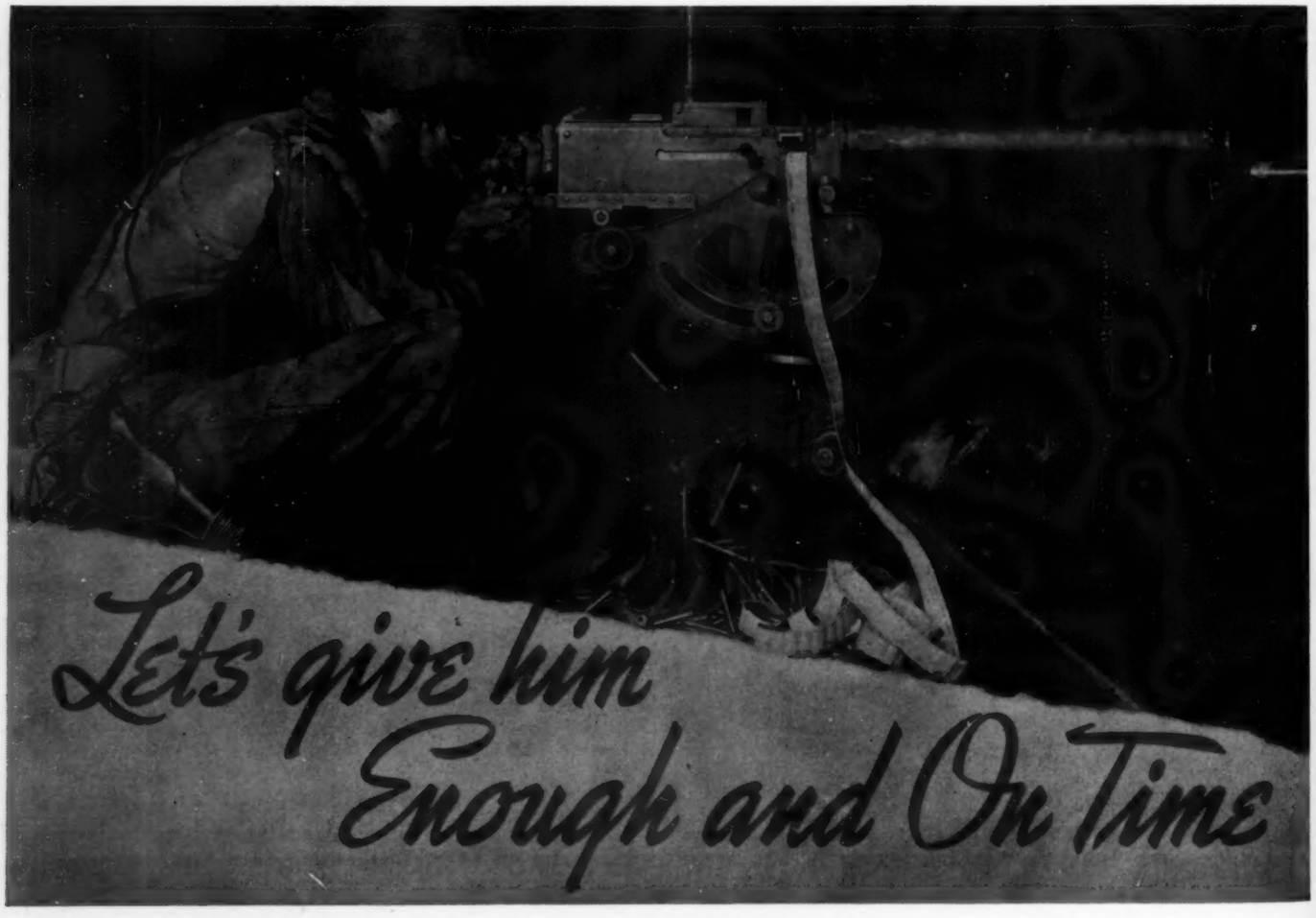
Minerals in the prospecting stage include copper, for which a survey is being made some 200 kilometers south of Kosseir on the Red Sea, and lead and zinc which are being prospected at Um Gheig (about 50 kilometers south of Kosseir), where extensive deposits are reported. Molybdenite is being prospected in lode deposits near Gebel Qatter, west of the oil wells at Hurghada in the Red Sea area.

Licenses have been issued to prospect for chromite, 100 kilometers east of Edfu. Extensive alluvial deposits of tin in the Edfu district have been prospected by the Department of Mines and Quarries, and concentrating is done by three small Kip-Kelly tables.

Since no magnetite was produced in 1943, the output of 56 metric tons in 1942 is regarded as "almost accidental."

Brazil will provide 3,000,000 bags of rice for relief of occupied Europe, according to the decision of the committee formed to determine Brazil's contribution in this connection. The committee has also fixed quantities of coffee and other foodstuffs to be provided, says the Brazilian Government Trade Bureau.

The first Brazilian commercial helicopter line will cover the Rio de Janeiro-Petropolis journey in 15 minutes, says the Rio daily *A Noite*. The paper adds that the 20 helicopters ordered by the company from the Sikorski factory will carry 12 passengers and will probably enter into service before the end of the war.



New Books and Reports

★The following publications, added to the Department's research facilities, through the courtesy of the authors and publishers, are listed as a service to business men. *Please note:* The Department has no copies of private publications for distribution and cannot be responsible for their content. For private publications, write direct to the publishing agency given in each case.

Articles of Interest to Businessmen, Appearing in the Department of State Bulletin September 17, 1944

Copies of this publication, which is issued weekly by the Department of State, may be obtained from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., for the price of 10 cents each; subscription price $2.75 a year. The September 17 issue contains these articles:

SUGGESTED CURB ON CARTELS: LETTER FROM THE SECRETARY OF STATE TO THE PRESIDENT.

ECONOMIC CONTROLS IN THE POST-WAR WORLD: ADDRESS BY CHARLES P. TAFT.

INTERNATIONAL PEACE AND SECURITY ORGANIZATION: STATEMENT BY THE UNDER SECRETARY OF STATE.

INTERNATIONAL CONFERENCE ON CIVIL AVIATION.

INTER-AMERICAN COFFEE AGREEMENT.

PROTOCOL ON PELAGIC WHALING.

RAILWAY CONVENTION, BRAZIL AND PARAGUAY.

RESPONSIBILITY OF THE SPECIAL WAR PROBLEMS DIVISION.

Other Publications

AIR TRANSPORTATION IN THE IMMEDIATE POST-WAR PERIOD. B. A. McDonald and J. L. Drew. 1944. 165 pp. Report No. BR-69. A detailed study of future air-transportation possibilities, and estimates of traffic and equipment, covering the first few years immediately following the war's end. Considers three markets: The United States domestic market; the United States-international market; and the foreign market.

Available from: Business Research Department, Airplane Division, Curtiss-Wright Corporation, Buffalo 5, N. Y.

THE COMING STRUGGLE FOR PEACE. Andre Visson. 1944. 301 pp. Price, $3. A study of various problems within the organization of the United Nations, successful solution of which is necessary to realization of a lasting peace. Surveys separately questions concerning the three major areas: Europe, the Far East, and the Near East, and considers them from bases both political and psychological.

Available from: The Viking Press, 18 East 48th Street, New York 17, N. Y.

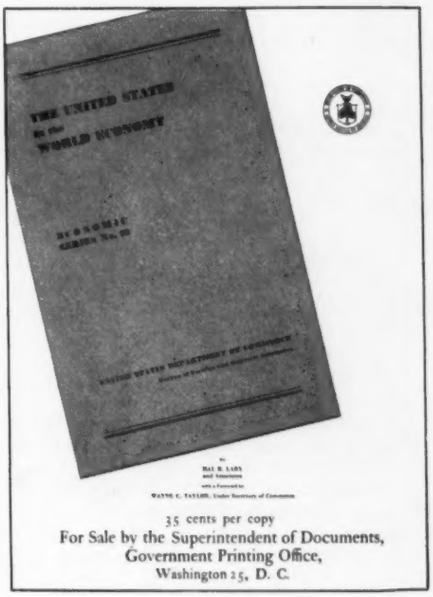
EUROPE'S UPROOTED PEOPLE: THE RELOCATION OF DISPLACED POPULATION. National Planning Association. 1944. 50 pp. Planning Pamphlets No. 36. Price, 25 cents. Considers causes, character, and probable magnitude of the dislocation of Europe's populations, and analyzes the responsibilities of the various agencies concerned with the problem, such as UNRRA, Intergovernment Committee on Refugees, and others. Outlines the economic, political, and juridical factors involved, and proposes both specific and general measures for solving the international aspects of each.

Available from: National Planning Association, 800 21st Street NW., Washington 6, D. C.

SOCIAL POLICY IN DEPENDENT TERRITORIES. International Labour Office. 1944. 185 pp. Studies and Reports Series B (Economic Conditions), No. 38. Price, $1.50. Based on Recommendations adopted at the Philadelphia International Labour Conference, the study surveys chief characteristics of social policy in dependent territories during the interwar period, with particular emphasis on labor policy as it concerns obtaining and using labor in wage-earning employment, and the resultant social implications; appraises essential features of the development of this policy during the war years; summarizes the work of the International Labour Organization, in connection with this subject; and analyzes several of the guiding principles which are important to development of international cooperation.

Available from: International Labour Office, Washington Branch, 734 Jackson Place, Washington 6, D. C.

Work on the electrification of the railway line between Chapaevsk, Kuibyshev, and Kinel, in the Soviet Union, has commenced, states the Russian press. The first section of the line is expected to be completed by the end of this year.



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Washington 25, D. C.

Contributors' Column

Thomas S. Hutchins ("New Zealand's Position as a Dairy-Products Exporter").—Born in Canada of American parents. Educated in public and private schools in the United States and abroad; has traveled extensively; helped operate one of the largest dairy and general farms in Colorado; employed by Government and private industry as food inspector and buyer; entered service with the Foodstuffs Unit, Bureau of Foreign and Domestic Commerce, December 1942.

Mary B. MacKrill ("Aviation in Venezuela").—See the August 12, 1944, issue of FOREIGN COMMERCE WEEKLY.

Mary Ellen Poole ("China's Hand-Made Paper").—Born in Wilmington, Delaware. S. W. Missouri State Teachers College. Studied at Pratt Institute and Traphagen School of Fashion, New York, specializing in women's apparel. Special studies in journalism. Came to Washington in 1941. Studied languages and journalism at King-Smith Studio School and George Washington University. Now studying at American University for B. S. in Economics. Entered O.P.A. in October 1942. Transferred to Textiles Unit, Bureau of Foreign and Domestic Commerce, June 1943. On staff of Industrial Projects Unit as Business Assistant since February 1944.

Sarah C. Saunders ("Reverse Lend-Lease").—See the May 27, 1944, issue of this magazine.

Chile Plans To Establish Tung-Tree Orchards

Plans are being made to establish a number of tung-tree orchards in Chile. Private farms and experimental stations of the Ministry of Agriculture in central and south-central Chile are the areas that have been chosen for the orchards. Development of a tung-oil industry would materially help in Chile's program for a more diversified agriculture.

Protective Treatment for African Timber

The use of protective chemical treatment is expected to open up additional supplies of African timber for South Africa, where the shortage of construction lumber is serious, according to the European press.

Since the Union would utilize large quantities of east, middle, and west African wood, these territories might become the scene of a secondary South African industry, it is stated.

Trade-Mark Applications

Brazil.—Notice of applications for registration of the following trade-marks was published in the Diario Oficial. Opposition must be filed within 60 days from the date of publication:

Trade-mark	Class No. and product	Date of publication
		1944
Previtex	10—Rubber sundries	Aug. 31
Combiglan	3—A pharmaceutical and medicinal preparation.	Do.
Aseptovitam	do	Do.
Tonka	42—Fermented liquors and spirits.	Do.
Pearly	48—Perfumery and soaps	Do.
Ytaca	3—Chemical products prepared for use in medicine and pharmacy.	Do.
Newstone	10—Instruments, apparatus, and contrivances for surgical or curative purposes, or in relation to the health of man or animals.	Do.
Durtone	do	Do.
Interbier	do	Do.
Sudax	48—Perfumery and soaps	Do.
Missuri	44—Tobacco, whether manufactured or unmanufactured, including cigars and articles for smokers.	Do.
Shavex	11—Cutlery and edge tools	Sept. 2
Clifton	44—Tobacco, whether manufactured or unmanufactured including cigars and articles for smokers.	Do.
Albany	do	Do.
Fox	8—Precision instruments, scientifical instruments and apparatus for useful purposes; instruments and apparatus for teaching.	Do.
Texas	do	Do.
Lovely	48—Perfumery and soaps	Do.
Chrisco	35—A floor and furniture cleaning and polishing preparation. 47—Illuminating, heating, or lubricating oils and fuels; kerosene, gasoline and products of petroleum. 46—Candles, matches, common soap and detergents; starch, blue and other preparations for laundry purposes.	Do.
Ciclone	8—Precision instruments, scientifical instruments and apparatus for useful purposes; instruments and apparatus for teaching. 39—Goods manufactured from rubber and gutta-percha not included in other classes.	Do.
Polix	8—Precision instruments, scientifical instruments and apparatus for useful purposes; instruments and apparatus for teaching. 53—Brushes, brooms, etc 55—A floor and furniture cleaning and polishing preparation.	*1944* Sept. 2
Master	39—Goods manufactured from rubber and gutta-percha not included in other classes.	Do.
Freckle	48—Perfumes and soaps	Do.
Trizimina	3—A pharmaceutical preparation.	Do.
Lipanina	2—A veterinary product	Do.
Eutenzina	3—A pharmaceutical preparation.	Do.
Rex	10—Instruments, apparatus, and contrivances for surgical or curative purposes, or in relation to the health of man or animals.	Do.
La Boheme	48—Perfumery and soaps	Do.
Tiasedrin	3—A pharmaceutical and medicinal preparation.	Do.
Pilofix	48—Perfumery and soaps	Do.
Telma	do	Do.
Norma	do	Do.
Hollywood	55—A floor and furniture cleaning and polishing preparation.	Sept. 4
Traumazol	3—A pharmaceutical and medicinal preparation.	Do.
Novascitan	do	Do.
Eteralgin	3—A pharmaceutical preparation.	Do.
Eterkitol	do	Do.
Eterhepat	do	Do.
Salixilang	do	Do.
Oxiolang	do	Do.
Atlas	14—Glass	Do.
Kelotoclase	3—A pharmaceutical preparation.	Do.
Calcilanglobil	do	Do.
Calkirominan	do	Do.
Kiskiobil	do	Do.
Milangdan	do	Do.

A warehouse fire in July at Rabat, French Morocco, destroyed 3,000 metric tons of cork destined for export, according to the press. At least 50 percent of the total available cork supplies was estimated to have been destroyed or rendered unfit for use.

Aviation in Venezuela

(Continued from p. 12)

post for explorers into the primitive surrounding country. Dugouts, punts, canoes, sailboats, and other crude river craft tie up at the quays alongside steamers. Produce from this area includes gold, diamonds, iron, rubber, balata, chicle, cattle, and forest products.

From Ciudad Bolivar, planes operate thrice a week to Tumeremo, famous gold region near the British Guiana border. One of these trips is via San Felix where iron- and gold-mine workers are busily meeting war needs, and where steamers stop for coffee, corn, sugarcane, and forest products. Another intermediate point between Ciudad Bolivar and Tumeremo is Guasipati, where Indians bring their diamonds to sell to foreign merchants. The flight from Tumeremo south to Santa Elena on the Brazilian border is made twice weekly in both directions to serve the rubber and other forest-products regions. A road is in the process of construction from Tumeremo to Santa Elena.

LAV in Central Venezuela

Airplanes wing southward on a twice-weekly round-trip schedule from La Guaira to San Fernando de Apure, 185 miles distant. San Fernando is the capital of the State of Apure in the Lower Orinoco Basin and a port of call for steamers on the Apure and Orinoco Rivers. In earlier days trade included an active business in egret plumes and alligator skins. Today, cattle-raising is the main industry. No railroads serve this area. Between San Fernando and Caicara, a port on the Orinoco River, there is a weekly round-trip schedule. From San Fernando planes go south to Puerto Paez on the Meta River where it joins the Orinoco. Considerable traffic passes between Colombia and Venezuela along these two waterways. Fifty air miles south of Puerto Paez is Puerto Ayacucho (in the Territorio de Amazonas), a port on the Orinoco River, which is served on the same round-trip weekly scheduled flight from San Fernando.

Serving Northwest and West

Línea Aeropostal Venezolana (LAV) operates seven round trips a week from La Guaira to Maracaibo with six flights continuing to San Antonio del Tachira. This frontier town is located in the Andean State of Tachira on the river by the same name, which carries coffee and cattle from this agricultural center. It is a trading post with Colombia, and much of the coffee crop from the region near Cucuta (Colombia) moves to Lake Maracaibo through this place of entry.

Four of the trips to Maracaibo from La Guaira go via Coro, capital of the State of Falcon, at the head of the Gulf of the same name. Coro's port is La Vela with which it is connected by rail and road; minerals, salt, oil and skins are some of the products from this section.

From La Guaira, 175 miles to Barquisimeto, a round trip is scheduled six times a week. The latter city is a center of commerce for the northern Andean region and is located on the Simón Bolivar Highway. Chief products of the surrounding country are coffee, cattle, cocoa, sugar, and cereals. Fiber bags and hammocks are manufactured, and copper and other minerals are mined. Airplanes operate southwesterly to Valera, a popular resort town, in the State of Trujillo, on a 5-day-weekly round-trip schedule. Service continues to Maracaibo, 118 air miles on a twice-a-week round-trip basis. The remaining weekly round trip between La Guaira and Maracaibo makes no intermediate stops.

Out of Barquisimeto is a weekly round-trip flight to serve Barinas in the State of Zamora; Bruzual, in the State of Apure; and Guasdualito on the Apure River, near the Colombia frontier. The flight continues to Santo Domingo, a distance of 105 miles.

Aerovías Venezolanas

Organized in December 1943 to carry freight and passengers within Venezuela, Aerovías Venezolanas, S. A., is supplying transportation facilities to semi-isolated towns, and has been of particular value to oil companies working in eastern Venezuela.

Land planes serve the route between La Guaira and Barcelona on a round trip schedule six times each week, and from Barcelona to Maturin and Cachipo via Santa Barbara thrice weekly in both directions.

Round-trip flights are supplied by Avensa three times each week between Barcelona and Ciudad Bolivar via Anaco and San Tome; and between Anaco and San Tome weekly return trips operate via Rincon Largo.

Connections with the Pan American Airways' routes are made at La Guaira and Maturin, and with Línea Aeropostal Venezolana (LAV) at the same cities and at Ciudad Bolivar.

Reciprocal Rights

On March 19, 1943, an agreement concerning reciprocal rights to aerial navigation, use of landing privileges, and exchange of facilities between Venezuela and Colombia was signed. The Governments of both countries agreed to make mutual concessions in order that commercial aircraft of Venezuela, as well as those of Colombia, may be able to fly over the territory of either country in certain sections, provided such routes are necessary to shorten the flights along the respective frontiers. It was agreed that use could be made of border airports in the event of accidents or in other emergencies.

The first airline interchange between Colombia and Venezuela took place, according to the press, on July 14, 1944, with a memorable flight of a plane of LAV from Maiquetia to Arauca (Colombia) connecting there with Aerovías Nacionales de Colombia (Avianca) with the network for Bogota.

Colombia is improving its airport at Cucuta near the Venezuelan border—which will facilitate international connections.

Tomorrow's Skies

Venezuela is plainly at the threshold of a great potential air future, as the Venezuelans are well aware of the need for a sound civilian aviation structure and know that air lanes of the future must be maintained at the peak of efficiency as supplements to present modes of transportation. Airports, air harbors, emergency landing fields as well as feeder lines will serve many communities.

The Federation of Chambers of Commerce of Venezuela passed resolutions recently for the development of means of transport to relieve the existing acute situation, and to bring about a closer integration of sea, air, land and rail services.

New Zealand's Position as a Dairy-Products Exporter

(Continued from p. 7)

dried milks not only for Great Britain but for New Zealand's troops overseas and United States forces in the Pacific.

Production of concentrated milk products in New Zealand is usually overshadowed by butter and cheese production. Statistics for recent years are given in the following table:

New Zealand Production of Concentrated Milk, 1938–43

[Thousand pounds]

Calendar year	Condensed	Evaporated	Dried whole	Dried skim
1938	5,937	5,336	3,387	14,042
1939	5,891	3,859	3,522	15,688
1940	6,924	4,937	4,445	17,648
1941	6,388	5,836	5,116	18,566
1942	6,212	8,981	8,389	17,287
1943	4,667	13,088	8,263	16,735

Source: Office of Food Controller, New Zealand.

Export Achievements

For the period immediately preceding World War II, New Zealand enjoyed the position of being the world's largest exporter of dairy produce (fluid equivalent), followed as a close second by Denmark, which had for many years been in the lead. The United States has exported more dairy produce during most of the war period.

Practically all New Zealand exports of dairy produce goes to the United Kingdom. In the pre-war period 1937–39, more than 99 percent of the total butter exports and 97 percent of the cheese went to Great Britain, the remainder going mostly to various nearby British and French Pacific islands. Exports of butter, cheese, and concentrated milk from New Zealand in recent years are shown in the following table:

New Zealand Exports of Dairy Products in the Years 1937 to 1943 [1]

[Thousand pounds]

Calendar year	Butter	Cheese	Condensed and evaporated	Dried whole	Dried skimmed
1937	333,322	184,482	8,589	2,817	13,308
1938	292,829	108,379	5,418	3,066	12,053
1939	273,649	187,853	6,365	3,059	15,122
1940	293,742	227,753	7,750	3,165	12,525
1941	253,471	265,018	7,444	[2] 22,196	
1942	262,531	301,194	8,487	[2] 19,136	
1943	222,112	225,151	3,991	[2] 19,167	

[1] Does not include shipments overseas for New Zealand troops or Reverse Lend-Lease deliveries to Allied forces in Pacific area.

[2] Beginning 1941, dried whole and skimmed milk were not broken down.

Source: New Zealand official annual trade statistics.

Not included in New Zealand exports are the amounts of dairy products fur-

Latin American Exchange Rates

NOTE.—Averages are actual selling rates for sight drafts on New York, in units of foreign currency, per dollar, with the following exception: Cuba—United States dollar to the peso. The peso of the Dominician Republic, the Guatemalan quetzal, and the Panamanian balboa are linked to the dollar at 1 to 1; the Haitian gourde is fixed at 5 gourdes to a dollar.

Country	Unit quoted	Type of exchange	Average rate			Latest available quotation		
			1942 (annual)	1943 (annual)	July 1944 (monthly)	Rate	Approximate equivalent in U. S. currency	Date
Argentina	Paper peso	Official A	3.73	3.73	3.73	3.73	$0.2681	Aug. 26, 1944
		Official B	4.23	4.23	4.23	4.23	.2364	Do.
		Bid	4.94	4.94	4.94	4.94	.2024	Do.
		Free market		4.06	404.91	4.0225	.2488	Do.
Bolivia	Boliviano	Controlled	46.46	42.91	42.42	42.42	.0236	Sept. 5, 1944
		Curb	49.66	45.42	50.00	50.00	.0200	Do.
Brazil	Cruzeiro [1]	Official	16.50	16.50	16.50	16.50	.0606	Aug. 16, 1944
		Free market	19.64	19.50	19.50	19.50	.0513	Do.
		Special free market	20.52	20.43	20.30	20.00	.0500	Do.
Chile	Peso	Special	19.37	19.37	19.37	19.37	.0516	Sept. 2, 1944
		Export draft	25.00	25.00	25.00	25.00	.0400	Do.
		Free market	31.75	32.37	31.75	31.60	.0316	Do.
		"D. P." [2]	31.13	31.00	31.00	31.00	.0323	Do.
Colombia	do	Commerical bank	1.75	1.75	1.75	1.746	.5727	Aug. 26, 1944
		Bank of Republic	1.76	1.76	1.76	1.755	.5698	Do.
		Curb	1.77	1.76	1.75	1.75	.5714	Do.
Costa Rica	Colon	Uncontrolled	5.71	5.65	5.67	5.68	.1760	Aug. 30, 1944
		Controlled	5.62	5.62	5.67	5.67	.1764	Do.
Cuba	Peso	Free	1.00	1.00	1.00	1.00	1.0000	Aug. 26, 1944
Ecuador	Sucre	Central Bank (official)	14.39	14.10	14.10	14.10	.0709	Aug. 13, 1944
Honduras	Lempira	Official	2.04	2.04	2.04	2.04	.4902	Do.
Mexico	Peso	Free	4.85	4.85	4.85	4.85	.2062	Aug. 26, 1944
Nicaragua	Cordoba	Official	5.00	5.00	5.00	5.00	.2000	Sept. 2, 1944
		Curb		5.16	5.99	5.80	.1724	Do.
Paraguay	Paper peso	Official	333.00	[3] 333.00				
	Guarani [4]	do		3.10	3.10	3.09	.3236	July 13, 1944
Peru	Sol	Free	6.50	6.50	6.50	6.50	.1538	Sept. 2, 1944
Salvador	Colon	do	2.50	2.50	2.50	2.50	.4000	Aug. 7, 1944
Uruguay	Peso	Controlled	1.90	1.90	1.90	1.90	.5263	Aug. 26, 1944
		Free	1.90	1.90	1.90	1.90	.5263	Do.
Venezuela	Bolivar	Controlled	3.35	3.35	3.35	3.35	.2985	Aug. 8, 1944
		Free	3.45	3.35	3.35	3.35	.2985	Do.

[1] Under law of Oct. 6, 1942, the cruzeiro became the unit of currency, replacing the milreis. Since Nov. 1, 1942, exchange quotations have been in terms of cruzeiros and centavos to the dollar.

[2] Disbonibilidades proprias (private funds).

[3] Used until Nov. 7, when the paper peso was replaced by the guarani.

[4] New currency unit instituted as of Nov. 8, 1943.

NOTE.—Special rates apply to automotive equipment and agricultural machinery imported from the United States into Argentina.

nished the United States forces in the Pacific area. According to the Foreign Economic Administration, the New Zealand Government, without cost, as Reverse Lend-Lease, gave to our forces through March 31, 1944, 24,550,000 pounds of butter, 7,460,000 pounds of cheese, 14,667,000 pounds of milk and cream, 16,120,000 pounds of evaporated milk, and 8,560,000 pounds of other dairy products.

The exports of cheese in the above table reveal the success of the New Zealand dairy industry in changing over from butter to cheese production. Cheese production increased 27 percent the first year and, by the second year, *63 percent.*

Lack of manpower and of artificial fertilizers formed the two biggest stumbling blocks to the dairy industry. The manpower difficulty was partially overcome by working longer hours. The fertilizer shortage could not be entirely solved, for in early 1942 the Japanese destroyed the phosphate installations on the Pacific island of Nauru, whence New Zealand obtained most of its artificial pasture fertilizer.

The effects of this loss, together with the third year of unfavorable weather conditions, were reflected in the decrease of butterfat production and exports in the 1942–43 and 1943–44 dairy seasons. Recent advices from New Zealand are to the effect that during the first half of 1944 more favorable weather conditions improved pastures, resulting in a better outlook for the 1944–45 season.

What of Post-War?

This war, like the last war, taught the New Zealanders that mass production was achieved only through more modern and scientific dairying methods. Though New Zealand butter and cheese are generally considered among the finest in the world, possessing excellent keeping qualities, the New Zealand Government realizes that the dairy industry has not reached the fullest degree of efficiency. As one New Zealand Government official recently pointed out to a group of New Zealand dairy farmers, the gross output per man employed "far exceeds that of any other country," and carrying capacity of the pastures has increased more than 60 percent in the last 25 years, yet only 5 percent of the New Zealand pastures in the dairying districts are sown with certified seeds.

In view of the fact that New Zealand has always had a ready market for its butter and cheese, any improvement that would increase production and at the same time decrease the cost of the product certainly lends added support to the belief that New Zealand should continue to compete favorably in international trade in these products.

As regards the possibility of New Zealand's exporting surplus canned and dried milk, much hinges on the uncertain return to foreign trade of the Holland subsidized milk, which would affect not only New Zealand but other important producing countries as well. New Zealand can always cut down on production of whole-milk products by diverting the butterfat to butter and cheese for which the Dominion has a market. Skimmed milk could be used for making more casein, for which there seems to be an ever-growing demand. Besides sending small amounts of concentrated milk products to the United Kingdom, New Zealand realizes that an appreciable percentage of world trade is in markets relatively close by, such as the Malay States, the Netherlands Indies, India, the Philippines, and similar regions in southern Asia and the islands.

U. S. Export Control and Related Announcements

(Developments communicated to the Trade Controls Unit up to Monday, September 25, 1944)

Import Control

No. 56—Amendment to General Imports Order M–63 Making Specified Changes in Lists I, II and III

An Amendment to General Imports Order M–63 as amended September 14, 1944, issued by the War Production Board on September 25, 1944, and to become effective on October 1, makes various changes in the lists of materials subject to that Order. The changes made by this amendment are deletions from Lists I, II and III of various mineral products and other materials heretofore subject to the Order, and the addition to List III of balata.

Changes made by the amendment are as follows (Schedule A Commerce Import Class Numbers in parentheses; N. S. C. indicates no separate class number provided in Schedule A of the Department of Commerce):

Removed from List I.—Columbium ore (columbite) or concentrates (6270.300); lac: crude, seed, button and stick (2105.000); rutile (6270.200); zirconium ore (6270.500).

Removed from List II.—Balsa wood: logs (4029.100); sawed boards, planks, deals and sawed timber (4118.000); copper and brass scrap (6401.900, 6418.100, 6453.000 and 6760.020); kyanite and sillimanite (5930.950), metallic mineral substances in c.ude form, not otherwise classified (such as drosses, skimmings, residues, brass foundry ash, and flue dust) (6740.190); shellac, unbleached and bleached (2107.200 and 2108.000); talc, steatite (magnesium silicate), containing not to exceed 1½ percent lime and 1½ percent ferric oxide: crude and unground (N. S. C.); tin: tinplate scrap (6740.050); tungsten ore and concentrates (6232.000); vanadium ore (6260.000).

Removed from List III.—China clay or kaolin (5300.000); paper base stock: rags for paper stock (4691.000); waste bagging, gunny cloth and bags (4692.000); grasses, fibers, waste, shavings, clippings, etc. n. e. s. (4692.900); textile waste, not elsewhere specified in the order, including jute thread and flax, etc. (except sisal and henequen processor's mill waste (N. S. C.)).

Added to List III.—Balata, not elsewhere specified on the order (N. S. C.).

What France Meant to Germany's War Effort

(Continued from p. 13)

Severe Deprivations

Southeastern France has been obliged to supply Germany with bauxite, aluminum, magnesium, chemicals, steel, locomotives, arms and munitions. Practically all of the French bauxite is produced in this region. The Germans will lose here a production of aluminum that amounted to about 10 percent of total enemy supplies; about 12 percent of enemy Europe's annual supply of magnesium, and important quantities of sulphuric acid.

One of Germany's more important sources of war materials will be lost in the heavy industry located in the region of Lyon-St. Etienne. Germany has obtained large quantities of armor plate, guns, machinery, and rolling stock from the great Schneider steel and munition works at Le Creusot.

Losses in Heavy Industry

The northeastern region of France includes the industrial area of Alsace-Lorraine. This area has accounted for more than 85 percent of the total French output of iron ore and over 70 percent of the French steel, which represented more than 10 percent of the yearly steel production at the enemy's disposal. The large textile-machinery industry was converted by the Germans to the manufacture of armaments and aircraft components, as were some of the textile plants. Heavy engineering works have produced machine tools and aero-engine components as well as guns of all types. Numerous factories have been working on aircraft repair, and large locomotive and rolling-stock repair shops have been pressed into service to maintain transportation for the Germans.